Daily Report

Central Eurasia

FBIS-SOV-96-059
Tuesday
26 March 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Central Eurasia

FBIS-SOV-96-059 26 March 1996

CONTENTS

NOTICE: An * indicates material not previously disseminated in electronic form.

CHECHEN AFFAIRS

Russia: Yeltsin To Present Chechnya 'Program' on TV 31 Mar *[ROSSIYSKIYE VESTI 26 Mar]* 1
Russia: Chechnya: Grachev To Discuss Troop Withdrawal Procedures *[KRASNAYA ZVEZDA 26 Mar]* 1
Russia: Grachev: Chechen Operation Proceeding Successfully *[Moscow ORT]* 1
Russia: Grachev Ends Visit in Chechnya; Departs for Moscow *[ITAR-TASS]* 1
Russia: 'Special Operation' Against Rebels in Groznyy Begins *[ITAR-TASS]* 1
Russia: Chechen Rebels Demand Troops Pull Back From Komsomolskoye *[Radio Rossii]* 2
Russia: Chechens Leave To Sign Accords With Local Administration *[Radio Rossii]* 2
Russia: Chechen Separatists Move Headquarters to Dargo *[INTERFAX]* 2

INTERREGIONAL AFFAIRS

CIS: Russia's Primakov Insists on Release of All POW's in Bosnia *[Moscow NTV]* 4
CIS: Russia's Primakov Discusses Results of Contact Group Meeting *[ITAR-TASS]* 4
CIS: Croatia's Granic Applauds Contact Group Meeting in Moscow *[Croatia Radio]* 5
CIS: CIS Defense Ministers Meet in Moscow *[Moscow RTV]* 5
CIS: Russian Deputy Minister Addresses CIS Defense Meeting *[ITAR-TASS]* 6
CIS: Defense Ministers Discuss Collective Security Plan *[ITAR-TASS]* 6
CIS: ITAR-TASS Carries Press Review for 26 Mar 7

RUSSIA INTERNATIONAL AFFAIRS

Russia: Yeltsin Interviewed on Trip to Norway, Integration Treaty *[Moscow ORT]* 9
Russia: Yeltsin Urges Norwegian Businesses To Buy Russian Aluminum *[Moscow RTV]* 9
Russia: Soskovets: New Commission Vital for Russian-Norwegian Ties *[ITAR-TASS]* 10
Russia: Yeltsin Hopes for 'Headway' on NATO Expansion *[INTERFAX]* 10
Russia: NATO Sec Gen Solana's Visit Reviewed *[ROSSIYSKAYA GAZETA 23 Mar]* 11
Russia: Solana Visit Seen as 'First Act of Political Circus' *[SOVETSKAYA ROSSIYA 23 Mar]* 12
Russia: Christopher Prague, Moscow Visits Viewed *[KOMSOMOLSKAYA PRAVDA 23 Mr]* 13
Russia: Deliveries of U.S. Poultry to Russia To Be Resumed *[ITAR-TASS]* 13
Russia: Russian-Iranian Nuclear Cooperation Discussed *[Moscow International]* 14
Russia: Foreign Ministry Official on Libyan Sanctions, Ties *[INTERFAX]* 14
Russia: Moscow Ready To Assist Indonesia To Develop Nuclear Energy *[INTERFAX]* 15
Russia: Contact Group Meeting, Bosnia Prospects Viewed *[KOMSOMOLSKAYA PRAVDA 26 Mar]* 15
Russia: Kremlin 'Corrects Triumphant Lukashenka' on Integration *[KOMSOMOLSKAYA PRAVDA 26 Mar]* 16
Russia: Moscow's Attempt To Seal Off Sukhumi Port Seen Backfiring *[NEZAVISIMAYA GAZETA 26 Mar]* 17

RUSSIA NATIONAL AFFAIRS

Political Issues

Russia: Presidential Staff 'Purge' Seen as Ill-Timed *[IZVESTIYA 26 Mar]* 18
Russia: Kucher To Head Yeltsin's Information Directorate *[SEGODNYA 26 Mar]* 19
Russia: 'Cracks' Appearing in Communist Party Monolith *[Moscow NTV]* 19
Russia: Internal Struggle Within CPRF Examined *[IZVESTIYA 21 Mar]* 20

Russia: Yeltsin Orders 'Rigid Checks' on Campaign Staffs' Work *[INTERFAX]* 23
Russia: Chernomyrdin Discusses Election Issues *[ROSSIYSKAYA GAZETA 23 Mar]* 23
Russia: Zhirinovskiy Collects Over 1 Million Signatures *[INTERFAX]* 25
Russia: Zyuganov: 'Complete Legal Mayhem' if Elections Not Held *[ITAR-TASS]* 25
Russia: Yeltsin's Law on Legal System Faces 'Serious Obstacles' *[INTERFAX]* 25
Russia: Zyuganov Advocates Policy Restoring USSR 'By Degrees' *[Madrid EL MUNDO 24 Mar]* 26
Russia: Seleznev Plays Down Fears Over Restoration of USSR *[ITAR-TASS]* 27
Russia: Background of New Central Bank Deputy Chairman Detailed *[FINANSOVYYE IZVESTIYA 21 Mar]* 27
Russia: Duma Vote on Minimum Wage, Pensions Deplored *[ROSSIYSKIYE VESTI 22 Mar]* . 28
Russia: Yeltsin Ratifies Statute on Presidential Control Body *[ROSSIYSKIYE VESTI 21 Mar]* 29
Russia: Yeltsin Edict on Organizational Body of Presidential Staff *[ROSSIYSKAYA GAZETA 20 Mar]* 30
Russia: Members of Powers Demarcation Commission Named *[ROSSIYSKAYA GAZETA 19 Mar]* 30
Russia: Government Decree on Ministry of Railways Statute *[ROSSIYSKAYA GAZETA 21 Mar]* 32

Federal Assembly

Russia: Duma Deputies Said Skeptical of Union With Belarus *[NEZAVISIMAYA GAZETA 26 Mar]* 32
Russia: Duma Official Says Treaty With Ukraine Cedes Too Much *[INTERFAX]* 32
Russia: Stroyev: Politicians' Ambitions May Impede CIS Integration *[INTERFAX]* 33
Russia: Federation Council Examines Food Supply *[TRUD 21 Mar]* 33
Russia: State TV Chiefs Answer Deputies' Coverage Complaints *[KOMSOMOLSKAYA PRAVDA 23 Mar]* 34

Regional Affairs

Russia: Tatar Leader Says Independence Depends on Yeltsin Win *[Moscow NTV]* 35
Russia: Tatar Leader Continues Socioeconomic Reforms *[INTERFAX]* 35
Russia: Far East Military District Launches 'Large-Scale' Exercise *[SEGODNYA 23 Mar]* 36
Russia: Northern Affairs Official Visits Kamchatka *[KRASNAYA ZVEZDA 22 Mar]* 36

Economic Issues

Russia: Yeltsin Edict Aims Against Bank, Investment Fraud *[KOMMERSANT-DAILY 23 Mar]* 37
Russia: Yeltsin Appoints Vasilyev To Head Securities Commission *[SEGODNYA 23 Mar]* 37
Russia: Central Bank Official Views $100 Bills, Union With Belarus *[Moscow NTV]* 38
Russia: Calculation of Customs Duties, Taxes Explained *[EKONOMIKA I ZHIZN Feb]* 39
Russia: Import Tariff Changes Predicted *[EKSPERT 19 Feb]* 40

UKRAINE

International Affairs

Ukraine: Udovenko, Lebanese Premier Discuss Bilateral Relations *[UNIAR]* 46
Ukraine: Kiev Says Il-76 Aircraft Did Not Violate Russian Air Space *[ITAR-TASS]* 46
Ukraine: Parliament Approves Sending Peacekeepers to FRY *[INTELNEWS]* 46
Ukraine: Shmarov, Grachev To Sign Black Sea Fleet Division Documents *[ITAR-TASS]* 47
Ukraine: Marchuk: Minsk-Moscow Integration Causes No Added Problems *[INTERFAX]* 47

National Affairs

Ukraine: Supreme Council Rejects Kuchma Proposal on National Guards *[ITAR-TASS]* 47
Ukraine: Marchuk Calls For Investment in Coal Industry *[UNIAN]* 48

Ukraine: Deputy Group Circulates Appeal Favoring Ban of CPU *[UNIAR]* 48
Ukraine: Kharkov Communist Party Secretary Interviewed *[VREMYA 16 Mar]* 48

Economic Issues

Ukraine: IMF To Resume Stand-By Program for Kiev in Apr *[INTERFAX]* 49
Ukraine: Parliament Adopts Tax Bill on Gambling, Retail Trade *[INFOBANK]* 49
Ukraine: Reasons for Decline of Steel Industry Viewed *[INTELNEWS]* 50

WESTERN REGION

Belarus

Belarus: Lukashenka Said Anxious About Confederation With Russia *[SVABODA 22 Mar]* ... 52
Belarus: Presidential Aide on Minsk Rally Provocations *[Moscow RTV]* 53
Belarus: Minsk Mayor Promises Punishment to Opposition Demonstrators *[ITAR-TASS]* 53
Belarus: Reports on Clashes at Demonstrations *[Moscow NTV]* 53

CENTRAL ASIA

Kyrgyzstan

Kyrgyzstan: Premier on Visit by Russian Delegation, Customs Union *[Tashkent Radio]* 55
Kyrgyzstan: Bishkek Skeptical About Belarusian Integration Proposal *[INTERFAX]* 55
Kyrgyzstan: Akayev's 'Almost Unlimited' Power Boosted by New Staff *[PRAVDA 23 Mar]* . 56

Tajikistan

Tajikistan: Rakhmanov Calls For Deeper Integration Within CIS States *[INTERFAX]* 56
Tajikistan: Rakhmanov Meets With Indian Official, Discusses Ties *[ITAR-TASS]* 56

Turkmenistan

Turkmenistan: President's Caucasus Visit Chronicled *[TURKMEN PRESS]* 57
Turkmenistan: Turkmen, Uzbek Presidents Discuss Cooperation *[TURKMEN PRESS]* 58
Turkmenistan: 'Urgent' Measures Needed To Resolve Aral Sea Crisis *[TURKMEN PRESS]* .. 58

Uzbekistan

Uzbekistan: President Karimov Against CIS Supra-State *[Tashkent TV]* 59
Uzbekistan: Karimov Receives Indian Foreign Minister *[Tashkent TV]* 60
Uzbekistan: Visit of U.S. Official Collins Assessed *[KARAVAN-BLITS 18 Mar]* 60

CAUCASUS

Armenia

Armenia: President Undecided on CIS, Causcasian Summit *[INTERFAX]* 61
Armenia: Prime Minister Bagratyan Leaves for France *[ARAGIL ELECTRONIC NEWS BULLETIN]* 61
Armenia: President Receives New Russian Border Guard Commander *[Yerevan Radio]* 61
Armenia: Relations With Russia To Worsen if Communists Win Power *[INTERFAX]* 61
Armenia: Iran Stands as Third Major Trade Partner in 1995 *[Tehran IRNA]* 62

Azerbaijan

Azerbaijan: Aliyev Optimistic on Solving Armenian Conflict *[INTERFAX]* 62
Azerbaijan: Aliyev Receives Turkish Envoy on Nagorno-Karabakh *[Baku Radio]* 62

Azerbaijan: Aliyev Meets U.S. Ambassador, Comments on Karabakh *[INTERFAX]* 62
Azerbaijan: British Oil Company To Join Caspian Development Consortium *[TURAN]* 63
Azerbaijan: Supreme Court Convicts Former Policemen of Coup Attempt *[INTERFAX]* 64

BALTIC STATES

Latvia

Latvia: President Departs for EU, NATO Headquarters *[Riga Radio]* 65
Latvia: Ulmanis Confirms Latvia's Intention To Join NATO *[INTERFAX]* 65
Latvia: Parliamentarians Disapprove of Union of Russia, Belarus *[Riga Radio]* 65

Lithuania

Lithuania: President Says Joining NATO No Threat to Russia *[ITAR-TASS]* 65
Lithuania: Foreign Minister on NATO Expansion *[BNS]* 66
Lithuania: Vilnius Concerned Over Russian Baltic Sea Exercises *[Vilnius Radio]* 66

Russia: Yeltsin To Present Chechnya 'Program' on TV 31 Mar

MM2503190596 Moscow ROSSIYSKIYE VESTI in Russian 26 Mar 96 p 1

[Unattributed report from "The President" column: "Program for Overcoming Chechnya Crisis"]

[FBIS Translated Text] Russian President Boris Yeltsin stated yesterday that he will present a program for overcoming the Chechnya crisis on television 31 March. The head of state made this statement at Vnukovo Airport before flying out to Norway.

Russia: Chechnya: Grachev To Discuss Troop Withdrawal Procedures

MM2603145496 Moscow KRASNAYA ZVEZDA in Russian 26 Mar 96 p 1

[Unattributed report: "Russian Federation Defense Minister Arrives in Groznyy"]

[FBIS Translated Text] Russian Defense Minister Army General Pavel Grachev arrived in Groznyy 25 March. During this working trip he intends to check out the arrangements for the troops in the Chechen Republic, meet with the republic's leadership, and monitor Russian Federation Defense Ministry units' performance of their missions. Moreover, Army Gen. Pavel Grachev stressed during a conversation with your KRASNAYA ZVEZDA correspondent, he intends to discuss the procedure for the withdrawal of Russian Federation Defense Ministry units from Chechnya once a peace settlement plan has been announced.

At the headquarters of the Combined Group of Federal Troops in the Chechen Republic the defense minister heard a report by the commander, Lieutenant General Vyacheslav Tikhomirov, who said that agreements on peace and accord are still being signed in various parts of Chechnya. To date agreements have been signed with the administrative leaders of over 120 villages out of the republic's 365 population centers. There is confidence, Lt. Gen. Tikhomirov said, that in the near future over 80 more population centers in the Chechen Republic will join the peace process. At the same time over the last few days Dudayevite combat activity has been recorded in the republic's Nozhay-Yurtovskiy Rayon. The guerrillas are still engaging in the full range of subversive operations. Nonetheless the commander did rule out the possibility of another assault on Groznyy and said that these rumors are being specially put about in order to divert the federal forces from the population centers that are under blockade.

Army Gen. Pavel Grachev especially stressed that his trip to Groznyy has one purpose — to speed up the peace settlement process in the republic.

Russia: Grachev: Chechen Operation Proceeding Successfully

LD2603095796 Moscow Russian Public Television First Channel Network in Russian 0900 GMT 26 Mar 96

[From the "Novosti" newscast]

[FBIS Translated Text] Russian Defense Minister Pavel Grachev told Interfax today that overall the operation to eliminate bandit formations in Chechnya is proceeding successfully.

During his interview he particularly emphasized his satisfaction with the progress of the peace negotiations in Chechnya. This is currently the main thing in the republic, Pavel Grachev noted.

The minister will today hear a report on the operational situation, to be delivered by Lt-Gen Vyacheslav Tikhomirov, commander of the joint group of federal troops in Chechnya.

Russia: Grachev Ends Visit in Chechnya; Departs for Moscow

LD2603095596 Moscow ITAR-TASS World Service in Russian 0921 GMT 26 Mar 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 26 Mar (ITAR-TASS) — Russian Defense Minister Pavel Grachev ended almost a day-long visit to Chechnya. He left for Moscow this morning, ITAR-TASS learned from the Defense Ministry press center.

The head of the Russian Foreign Ministry held talks on Monday with the command of the joint group of federal troops in Chechnya. It is expected that Grachev will chair a meeting of defense ministers of the Commonwealth in Moscow tomorrow.

Russia: 'Special Operation' Against Rebels in Groznyy Begins

LD2603135996 Moscow ITAR-TASS World Service in Russian 1331 GMT 26 Mar 96

[By ITAR-TASS correspondent Boris Kipkeyev]

[FBIS Translated Text] Moscow, 26 Mar (Itar-Tass) — Subunits of the Russian Ministry of Internal Affairs in Chechnya and Chechen law-enforcement bodies began a special operation this afternoon to destroy the rebels remaining in the Chechen capital, Groznyy, a source

in the Chechen government told ITAR-TASS over the phone. He said that about 400 fighters remain in Groznyy disguised as civilians.

Threats by Dudayev's supporters to undertake "a new attack" on Groznyy and continuing shelling and acts of sabotage in the city make this special operation necessary, the source said. "Now we have learned the bitter lesson of the events which took place in the Chechen capital 6-8 March," he told ITAR-TASS. Ruins in Groznyy, where members of illegal bandit formations may be hiding, are now being thoroughly checked, the source added. A number of Groznyy districts have been cordoned off.

Russia: Chechen Rebels Demand Troops Pull Back From Komsomolskoye

LD2603124896 Moscow Radio Rossii Network in Russian 1100 GMT 26 Mar 96

[FBIS Translated Text] Russian Defense Minister Pavel Grachev returned from Groznyy today. According to him, the operation to eliminate illegal bandit formations has been successful. However, since this morning conflicting reports have been arriving from the republic's southwestern areas, where an ultimatum was issued two days ago. Ruslan Martagov, Doku Zavgayev's spokesman, told RIA that the villages of Alkhazurovo, Goyskoye, and Komsomolskoye are prepared to surrender and sign agreements on peace and accords. However, residents of Komsomolskoye who have arrived in Groznyy told INTERFAX that the rebels have set up in-depth defense in the village. According to the residents, the rebels' commander is prepared to leave the village only if the federal forces pull back by 15 km. According to AFP, the Chechen rebels have already left the village of Alkhazurovo. Yuriy Arkhipov, our correspondent in Groznyy, has found out the folowing.

[Arkhipov] Virso Taymurzayaev, first deputy chairman of the Chechen national reconciliation committee, who is now in Urus-Martanovskiy district, told your correspondent over the telephone that the head of administration of this district left at 0800 this morning for talks with the command of this group of federal troops on extending the ultimatum and giving the remaining residents an opportunity to leave the villages under siege. He added that the residents of Goyskoye had left their village as a ransom for the soldiers. Virtually all of them left for nearby villages. It looks as if the same thing will happen in Alkhazurovo and Komsomolskoye. However, according to Ruslam Yesagurov, chief doctor of a hospital in Urus-Martan, emergency treatment is needed for 200 wounded civilians who have left Samashki and are now in the hospital.

It has been relatively quiet in the Chechen capital Groznyy over the past 24 hours. The temporary directorate of the Russian Interior Ministry in the Chechen Republic and positions of federal forces came under fire 12 times. The Chechen Interior Ministry prevented an attempt by a small armed group to break through to government square last night.

Russia: Chechens Leave To Sign Accords With Local Administration

LD2603110996 Moscow Radio Rossii Network in Russian 1000 GMT 26 Mar 96

[FBIS Translated Text] Members of the Chechen Government left for the republic's Groznenskiy and Urus-Martanovskiy districts today to sign agreements on peace and accord with the local administration. Our correspondent reports from Groznyy that residents of the villages of Berdakel, Petropavlovskaya, Roshni-Chu, and Geshichu agreed to take responsibility for maintaining peace in this part of the republic.

Russia: Chechen Separatists Move Headquarters to Dargo

LD2503171996 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] GROZNYY, March 25 (Interfax) — The Chechen separatist forces have moved their headquarters to the settlement of Dargo, in southeast Chechnya, as Russian troops continue their operations in the west and southwest of that republic, a Russian representative told Interfax Monday.

In eastern Chechnya, the separatists have established firm defense forces in the settlements of Tsentoroy, Dargo, Mesketiy, Vedeno, according to reconnaissance reports.

The separatist fighters in these settlements number 1500 and are armed with three tanks, several armored personal carriers, mobile and portable rocket launching units, and grenade-launchers, reconnaissance says. They are composed of the eastern front fighters formerly led by Salman Raduyev.

"Federal troops are now just blocking access to these southeastern settlements," the representative said. "The issue of active military operations against these settlements will apparently be decided upon completion of the operation to the west."

Separatist fighters are also rumored to be preparing for another offensive on the Chechen capital of Groznyy in late March in an attempt to draw Russian troops away from the blockade of Bamut, Samashki, and Staryy Achkhoy, in western Chechnya, he said.

This report may contain copyrighted material. Copying and dissemination

"Federal troop commanders and Chechnen law-enforcement forces have information on this and are prepared to block any such action by the bandits," he said.

Separatist fighters in the settlements of Alkhazurovo, Goyskoye, and Komsomolskoye are still refusing to surrender, he said, adding that federal troops have postponed their ultimatum from 10:00 a.m. to 8:00 p.m. Moscow time, at which time they will attack the settlements if the separatists do not capitulate.

This report may contain copyrighted material. Copying and dissemination

CIS: Russia's Primakov Insists on Release of All POW's in Bosnia

LD2303181396 Moscow NTV in Russian 1600 GMT 23 Mar 96

[Video report by correspondent Aleksandr Zinenko, including recorded comments by Russian Foreign Minister Yevgeniy Primakov; from the "Segodnya" newscast]

[FBIS Translated Text] The further fate of the former republics of Bosnia and Herzegovina was discussed in Moscow today.

Aleksandr Zinenko has the details.

[Zinenko] The session of the Contact Group at the level of ministers of foreign affairs was opened by Russian Prime Minister Viktor Chernomyrdin. The organizers patently wanted to stress the significance of the Moscow meeting. Moreover, the task was definitely set of showing that Moscow is taken into consideration, that the role of Moscow in the Balkans is not weakening, and that it intends to continue to participate in the world community's effort for a Bosnia settlement. The Contact Group participants demanded, moreover, in a tough form, that the Bosnian sides release all the POWs immediately. All the ministers without exception stressed that they were in a resolute mood.

[Primakov] Our meeting has listened to a report by the Bosnian foreign minister and the minister of foreign affairs of the Republic of Serbia [as heard] who, after the exchange of opinions that took place, assured us that all those detained will be released immediately. The conference of economic donors, which is planned for the middle of April, cannot be convened unless that part of the Dayton Agreement is implemented. [end recording]

[Zinenko] It was stated that unless the POWs are released those who violate the peace agreements will remain without economic aid. Moreover, sanctions are not ruled out, as Yevgeniy Primakov indicated. So a warning has been issued. The next few days will show whether the Bosnian sides will take it seriously. [video shows news conference]

CIS: Russia's Primakov Discusses Results of Contact Group Meeting

LD2303201196 Moscow ITAR-TASS in English 1941 GMT 23 Mar 96

[By Aleksandr Kondrashov and Valeriy Sevryukov]

[FBIS Transcribed Text] MOSCOW, March 23 (Itar-Tass) — Democratic elections, an immediate release of all prisoners of war and control over arms supplies to Bosnia-Herzegovina were the main topics discussed by the international Contact Group ended its meeting in Moscow on Saturday.

Speaking at a press conference after the meeting, Russian Foreign Minister Yevgeniy Primakov stressed the need to step up preparations for elections in Bosnia while focusing on the problem of refugees.

"It is necessary to ensure the legitimate rights of hundreds of thousands of people who have left their homes and provide for the participation in the elections of those refugees who do not want to go back," Primakov said.

Speaking about the problem of POWs, Primakov noted that the Contact Group foreign ministers heard representatives of Serbia and Bosnia who assured them that all prisoners of war will be immediately released.

Primakov said the implementation of this requirement is critical to the convocation of a conference of donor states to be held in Brussels on April 12-13. He said a "linkage has been established between the fulfillment of obligations to release prisoners of war and the advancement of the issue of economic assistance to the Bosnian sides."

The foreign ministers also stressed the need to ensure the freedom of movement in Bosnia and called on all concerned countries to contribute personnel for an international police force.

Another key issue discussed by the Contact Group was control over arms supplies to Bosnia. "If arms are supplied, and there is such a tendency, and foreign mercenaries, who are still there, do not leave, stabilisation can hardly be reached," the Russian foreign minister said.

The Contact Group ended its meeting by appealing to the Bosnian sides to observe the Dayton peace agreements and show their strongest will and initiative to promote peace and mutual trust in the region.

The foreign ministers of the five-nation Contact Group (Britain, Germany, Russia, the United States and France) as well as Italy, which is the current president of the European Union, and the foreign ministers of Yugoslavia, Croatia and Bosnia-Herzegovina discussed the implementation of the Dayton agreements.

They noted that on the whole the first stage of the settlement efforts in Bosnia, during which the warring sides were disengaged, had been successfully completed.

The foreign ministers also stressed the importance of the next, civilian and political, stage of the settlement process for peace and stability in the region and demanded that the parties to the conflict comply with all obligations requiring them to release all prisoners of

war, ensure the freedom of movement on the entire territory of Bosnia-Herzegovina and withdraw all foreign mercenaries from it.

The release of prisoners of war and preparations for elections in Bosnia were the two problems which evoked the biggest concern among the Contact Group members.

They urged the parties to the Bosnian conflict to release all POWs on the basis of the all-for-all principle. Despite the parties' initial agreement to exchange POWs, no practical steps have been taken to fulfil their obligations so far. To lend more weight to its demand, the Contact Group threatened to put off the upcoming conference on post-war economic aid to Bosnia-Herzegovina to be held in Brussels.

The Contact Group was also concerned about unsatisfactory preparations for elections in Bosnia-Herzegovina which should be conducted not later than September 14, 1996. The foreign ministers noted that the problem of refugees whose number has exceeded one million and restrictions on movement in the republic may thwart elections.

However, the issue turned out to be too complicated for the Contact Group to adopt any specific decisions or recommendations as to how to resolve it.

Russia was represented at the meeting by Foreign Minister Primakov. The meeting, which was also attended by representatives of the United Nations, the European Union and the Organisation for Security and Cooperation in Europe, was addressed by Russian Prime Minister Viktor Chernomyrdin.

CIS: Croatia's Granic Applauds Contact Group Meeting in Moscow

LD2303173696 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 23 Mar 96

[FBIS Translated Excerpt] The view of most of the participants on the start of the Moscow ministerial conference of the Contact Group for Bosnia-Herzegovina is that there has been frank and critical discussion of all problems concerning the implementation of the peace process. Croatia, according to a statement from Foreign Minister Dr. Mate Granic, has been shown understanding for its peace efforts. This is Drazen Korda reporting for Croatian Radio from Moscow. [passage omitted]

In the break before the afternoon session, Mate Granic, deputy prime minister and foreign minister, assessed the proceedings of the conference so far and his bilateral meetings for Croatian radio:

[Begin Granic recording] There was clear satisfaction that the military component has been almost completely implemented, but there is concern particularly for the political component and for the insufficiently successful implementation of the civilian component. As far as the Republic of Croatia is concerned, we gave full support to the federation [of Bosnia-Herzegovina] and to the Dayton process as a whole.

There have been bilateral talks — particularly significant ones — especially with [German Foreign] Minister [Klaus] Kinkel, [EU Commissioner] Mr. [Hans] Van den Broek and [Italian Foreign] Minister [Susanna] Agnelli. We discussed in particular Croatia's admission to the Council of Europe and Croatia integration into Europe generally. Kinkel and Van den Broek are particularly advocating that this process of Croatia's admission to the Council of Europe should be completed as soon as possible, but I can tell you that all other ministers present here have also given their support to Croatia's integration into Europe and admission to the Council of Europe. [end recording]

Minister Granic stressed that there was also full understanding for Croatia's genuine desire to assist the full establishment of the Federation of Bosnia-Herzegovina. He added that in this respect there were virtually no comments directed at Croatia, although many problems of the federation were discussed. Granic also said that Croatia has the support of the conference participants for the peaceful reintegration of the Croatian Danube region [Podunavlje] and he stressed that like General Klein, he believed that this process would take place in accordance with the agreements already reached.

CIS: CIS Defense Ministers Meet in Moscow

LD2603122296 Moscow Russian Television Network in Russian 1100 GMT 26 Mar 96

[From the "Vesti" newscast]

[FBIS Translated Text] The third conference on the process of military integration in the CIS countries opened in Moscow today.

[Correspondent R. Babayan] Before the start of the session participants viewed an exhibition of military uniforms and special equipment. The CIS defense ministers and representatives of the Russian State Duma, the Federation Council, the Federal Border Service, the Security Services, and Foreign Intelligence Services took part in the conference. But Pavel Grachev, chairman of the Council of CIS Defense Ministers, was not at the meeting. Those present stressed that close military interaction between the CIS members is simply vital because the leaders of the NATO countries are already making

it plain that the bloc will be receiving new members in the very near future.

CIS Executive Secretary Ivan Korotchenya, addressing the meeting, stressed that the processes of integration within the CIS are no longer just words but reality. Viktor Samsonov said much the same. The general said that the intentions of Russia, Belarus, Kazakhstan, and Kyrgyzstan toward closer integration could change the direction of military cooperation, especially within the framework of the Tashkent agreement on collective security. [video shows V.Samsonov, identified by caption as chief of staff for the coordination of military cooperation within the CIS, speaking]

[Begin Samsonov recording] The need for collective efforts in solving the tasks of security is dictated by the fact that the threats are above all external, are of a group, coalitional nature and no single state of the commonwealth is in a position to oppose them alone. [end recording]

CIS: Russian Deputy Minister Addresses CIS Defense Meeting

LD2603122596 Moscow ITAR-TASS in English 1112 GMT 26 Mar 96

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, March 26 (Itar-Tass) — A detailed plan for implementing the concept of CIS collective security will be fully prepared by a special working group by the end of 1996, Russian deputy defence minister Andrey Kokoshin announced in his opening address to the conference which opened in Moscow today.

Kokoshin recalled that the working group, which was originally set up by decision of the Council of Defence Ministers of the CIS member countries, brings together representatives of the respective defence ministries and the chiefs of staff of their armed forces, as well as the coordinating headquarters for military cooperation of CIS member countries.

The conference which is meeting in Moscow today is attended by the defence ministers of Armenia, Belarus, Georgia, Kazakhstan, Tajikistan, Kyrgyzstan and Turkmenia, as well as by the leaders of Coordinating headquarters, the CIS Executive Secretariat.

Representatives of the State Duma and the Federation Council of Russia, the RF Ministry of Foreign Affairs, some research institutions and international organisations are taking part in the discussion.

The one-day conference focuses on the formation of a CIS collective security system on the basis of the agreement on collective security.

Participants in the conference are also expected to name the main sources of military danger and factors capable of causing the evolution of military danger into a direct military threat to the CIS member countries.

According to Andrey Kokoshin, despite numerous attempts, a full-scale theory of CIS collective security has yet to be worked out.

The agreement on collective security was signed in Tashkent in May 1992. Now, there are ten signatory countries.

According to Andrey Kokoshin, "the present idea of collective security reflects a level of relations between the states and their armed forces which rules out aggression and attempts at settling political and other disputes by means of war, armed conflicts or the threat of the use of force."

CIS: Defense Ministers Discuss Collective Security Plan

LD2603125296 Moscow ITAR-TASS in English 1211 GMT 26 Mar 96

[By Sergey Ostanin]

[FBIS Transcribed Text] MOSCOW, March 26 (Itar-Tass) — Interaction in the military field is a positive factor of political and economic cooperation of the member-countries of the Commonwealth of Independent States and of the strengthening of the entire commonwealth, CIS Executive Secretary Ivan Korotchenya told a conference of ranking officials which opened in Moscow today.

According to Korotchenya, "considerable reserves for the development of integration of the CIS states are contained in the solution of problems relating to military-technical and military research cooperation and training."

Korotchenya touched upon CIS commitments to maintenance of peace in the flashpoints of tension on Commonwealth territory. He said, "We have failed so far to make peacekeeping operations multi-national in character, as most of them are carried out by the forces of the Russian Federation which also remains the main mediator in the negotiating processes between the conflicting parties."

Korotchenya said the problems he mentioned were reflected in the draft plan for the integrational development of the CIS states for 1996 and 1997. He said the

plan would be unveiled at the next meeting of the heads of state and government of the CIS member-countries.

The conference in Moscow is attended by the defence ministers of Armenia, Belarus, Georgia, Kazakhstan, Tajikistan, Kyrgyzstan and Turkmenistan, as well as by the leaders of Coordinating headquarters, the CIS Executive secretariat. Russia is represented by members of the State Duma and the Federation Council of Russia, officials of the RF Ministry of Foreign Affairs and some research institutions.

Representatives of international organisations are taking part in the discussion.

Russian deputy defence minister Andrey Kokoshin announced in his opening address to the conference that a detailed plan for implementing the concept of CIS collective security would be fully prepared by a special working group by the end of 1996.

Kokoshin recalled that the working group, which was originally set up by decision of the Council of Defence Ministers of the CIS member countries, brings together representatives of the respective defence ministries and the chiefs of staff of their armed forces, as well as the coordinating headquarters for military cooperation of CIS member countries.

The one-day conference in Moscow focuses on the formation of a CIS collective security system on the basis of the agreement on collective security signed in Tashkent in May 1992. Now, there are ten signatory countries.

Participants in the conference are also expected to name the main sources of military danger and factors capable of causing the evolution of military danger into a direct military threat to the CIS member countries.

According to Andrey Kokoshin, despite numerous attempts, a full-scale theory of CIS collective security has yet to be worked out. "The present idea of collective security reflects a level of relations between the states and their armed forces which rules out aggression and attempts at settling political and other disputes by means of war, armed conflicts or the threat of the use of force."

CIS: ITAR-TASS Carries Press Review for 26 Mar

LD2603074296 Moscow ITAR-TASS in English 0618 GMT 26 Mar 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW March 26 (Itar-Tass) — Follows a review of Tuesday's Moscow-based Russian newspapers dated March 26.

ROSSIYSKAYA GAZETA on the social protection of the population.

The newspaper carries an interview with Lyudmila Bezlepkina, Russian Minister for the Social Protection of the Population, to whom President Boris Yeltsin presented the Order of Honour recently.

"When the Upper House of the Russian parliament voted in favour of the Law on Veterans, the "senators" knew that 80 percent of the implementation of the Law shall be financed from regional budgets. As soon as the senators voted for the Law, I began to receive letters from the self-same senators who complained that there was lack of funds at the local level to finance the implementation of the Law. If so, they should not have voted for it," Bezlepkina said.

ROSSIYSKIYE VESTI runs data from the State Committee for statistics of the Russian Federation as of March 18.

Statistics have it that the cost of a basket of 19 staple foods in Russia was 250,500 roubles on average. The newspaper also reports that according to the estimates of the Russian Ministry of Health and the Medical Industry, the production of medicines in the country is at a critical mark.

TRUD on the Communists' likely actions if they win the elections.

The newspaper runs an interview with former First Vice-Premier Anatoliy Chubays, who discusses possible actions of the Communists if they come to power in the current economic situation.

Chubays said "it is very difficult to get out of the current economic spiral. The Communists have recorded in their programme what they will do: freeze prices, primarily food ones.

"At first glance, fixed prices should gladden the hearts of everyone but we know full well that following that move foodstuffs would disappear from the store shelves. They would have to be obtained again by backstairs influence and at a price which would be thrice as high as actually is the case.

"A still harder situation, which is not so obvious to the consumer but is clearly visible to the economist, would ensue. If you have introduced fixed prices of food, it would immediately transpire that the food producer, with such kind of sales, would not be able to cover the expenses. The entire agro-indutsrial sector would demand subsidies which would require trillions of roubles from the State budget. But where should they be taken from?"

TRUD on the war in Chechnya.

The newspaper gives the opinion of Academician Dzhabrail Gakayev, General Director of the All-Russia Inter-regional "Chechen Cultural Centre" Organisation.

"Now that the survival of a whole people is at stake, common sense suggests that a peaceful resolution of the conflict is the only possible way out, although it eill require a whole series of long and difficult negotiations and rehabilitation programmes.

"The main conclusion that can be drawn now is that everywhere people feel disillusionment with the idea of Dudayev-style sovereignty and entertain a desire to do away with the senseless war, which is not a "Russo-Chechen" one, but is a conflict between the criminal forces of Chechnya and certain political groups in Moscow. The Republic, Russia, and rest of the world should come to realise that the supporters of the peace process constitute now the main social force but they need to be united and organised," Gakayev said.

KOMSOMOLSKAYA PRAVDA on nostalgia for erstwhile material standards.

The newspaper runs an interview with President Mintimer Shaymiyev of Tatarstan.

"I have drawn an interesting conclusion from numerous meetings. A certain proportion of the population who voted for the Communists feel no nostalgia ideologically. There is nostalgia for the material standards which people had previously. Our republic's social protection system is stronger and more reliable than that in Russia. I have set myself as an object as follows: if we succeed in ensuring social protection standards which would be up to those under Socialism, everyone will say: 'let us proceed still farther'".

SOVETSKAYA ROSSIYA on the possibility of frustration of Presidential elections.

The newspaper carries an interview with Viktor Ilyukhin, Chairman of the State Duma Committee on Security, who expresses the view that presidential institutions may resort to a strong-arm option to frustrate or postpone the elections.

"A strong-arm option cannot be ruled out entirely. We must keep vigilant," Ilyukhin maintains.

PRAVDA on reaction to the denunciation of the Belovezhskaya Pushcha Agreement.

The newspaper runs an interview with Anatoliy Lukyanov, Chairman of the State Duma Committee on Legislation.

"In my view, the organisers of the clamorous campaign have the following three goals before them: To divert attention from the disastrous socio-economic position of the country and from the war in Chechnya, artificially to bring about a political crisis, and to frustrate the presidential elections," Lukyanov said.

Russia: Yeltsin Interviewed on Trip to Norway, Integration Treaty

LD2503155596 Moscow Russian Public Television First Channel Network in Russian 1200 GMT 25 Mar 96

[From the "Novosti" newscast]

[FBIS Translated Text] Before taking off from Moscow's Vnukovo Airport Boris Yeltsin gave a short interview to the mass media.

[Correspondent Andrey Sturua] According to established tradition, before his departure Boris Nikolayevich [Yeltsin] went over to the journalists who had come to see him off. He stated that the issue of NATO will not be the most important in his talks with the Norwegian side. However, he said, the subject will be discussed. In particular, it will be a matter of an agreement not to have NATO troops stationed on Norway's territory: [video shows Yeltsin speaking to journalists at the airport with Chernomyrdin, Kulikov, Primakov, and Soskovets standing nearby]

[Begin Yeltsin recording] Because that is the only NATO country which has a land border with Russia. Therefore, it is particularly important for us. And perhaps we shall make some headway in something else as well. [end recording]

Touching on the problem of deepening integration processes within the CIS, Boris Nikolayevich said:

[Begin Yeltsin recording] On 29 March, on behalf of four states — Russia, Belarus, Kazakhstan, Kyrgyzstan — four heads of state will sign [agreements] on deepening integration among those countries, including the setting up of certain organizations, and so on, controls — in short, a treaty. A serious treaty will be signed. Other countries in the CIS are still not ready to do that yet. Their legislative basis is not ready yet. The treaty will remain open for signing by any state, including the Baltic countries.

What is happening on 2 April is a separate act. Why? It [Belarus] has gone considerably further along the path of deepening integration, considerably further, that is, almost advancing as far as the unification of states already. Naturally, under no circumstance will that be a treaty on a single state. Some one has got something mixed up there. It will be a treaty on very deepened integration, and supranational bodies will be set up which will ultimately resolve one issue of integration or another. That is, it will not refer to its own government on what decision to make. The decision has to be binding on both sides. [end recording]

Boris Yeltsin confirmed that his visit to Kiev will take place on 4 and 5 April, as scheduled. Speaking of Kiev's stand with regard to deepening integration within the framework of the CIS, the Russian president stated that Ukraine wants to take part in those processes but something is preventing it. He wants to find out precisely what it is during his visit there.

Russia: Yeltsin Urges Norwegian Businesses To Buy Russian Aluminum

LD2503214896 Moscow Russian Television Network in Russian 2000 GMT 25 Mar 96

[From the "Vesti" newscast]

[FBIS Translated Text] The Russian president's two-day official visit to Norway began today. The agenda of the visit is noteworthy, primarily because it is so packed. Yeltsin and the delegation he is heading will discuss dozens of questions in Norway, from the problems of NATO's eastward expansion to joint environmental protection projects.

Andrey Pishchayev has some details of the first day of the Russian delegation's visit to Oslo.

[Pishchayev] Business ties between Russia and Norway are none too brisk. One of the reasons is the fact that Norwegian businessmen have been put on their guard by our economic instability, poor banking and financial systems, and frequently changing customs policy.

While eager for economic interaction overall, Norwegians are, at the same time, worried by certain unresolved problems where our country is concerned. This concerns, first and foremost, the issue of the demarcation of the Barents Sea shelf and economic zones. Talks on the territorial problem have been going on since 1970. The issue of the demarcation of most of the region has now been solved, save for the southern, oil-rich sector. Until recently, Moscow and Oslo have merely confined themselves to restating their own positions on this issue. Apart from everything else, the resolution of the territorial dispute would guarantee better fishing rights in the region for Russian and Norwegian fishermen.

The ecology poses another problem. The first thing you notice on arrival in Norway is the crystal-clear purity of the air, even in towns. This is why Norwegians are particularly worried about the discharges from the Russian nickel combines, situated at the very border of their Kingdom. The Pechenga nickel combine is a case in point. In order to reduce the harmful discharges into the atmosphere, Norwegian firms have worked out an original plan of reconstruction of this enterprise and the principles of financing thereof. An agreement at the

Foreign Ministry level was signed last year, providing for the completion of the reconstruction of the enterprise by the year 2000. Norway will subsidize the venture to the tune of $47 million, with Russia meeting the remaining costs.

The utilization of nuclear waste and the safety of nuclear facilities in Russia's north are among the numerous problems that are still unresolved.

Today, during the Russian president's visit to Norway, a demonstration of ecological and antimilitaristic youth organizations was held in Oslo.

The painful issues of economic ties between our countries were discussed at today's meeting between our head of state and the Norwegian business community.

[Begin Yeltsin recording] I think that both the Norwegian and our partners are aware of the extent of the prospects for business relations with Russia. Why is it, for instance, that you buy so little aluminum from us? Please go ahead, we do have it, aluminum, I mean. Do buy it. We will undercut the European market prices, we will. As before, continue to do your paperwork via the London market, I mean the London banks, and buy aluminum, you need it. [end recording]

[Pishchayev] The visit of the leader of our country to Norway should result in the signing of an agreement on trade and economic cooperation between our two countries, an agreement that will stimulate Russian-Norwegian ties in these areas.

Russia: Soskovets: New Commission Vital for Russian-Norwegian Ties

LD2503200196 Moscow ITAR-TASS in English 1942 GMT 25 Mar 96

[By Igor Pshenichnikov and Andrey Shtorkh]

[FBIS Transcribed Text] OSLO, March 25 (Itar-Tass) — Russia's First Vice-Prime Minister Oleg Soskovets said the future of cooperation between Russia and Norway will largely depend on how successful and effective their joint commission on trade and economic cooperation will work.

"Ways of solving economic problems between Russia and Norway will depend on how productive the work of the joint Russian-Norwegian commission on economic, industrial, scientific and technical cooperation will be," Soskovets told Itar-Tass on Monday.

Soskovets is in Oslo as a member of an official delegation accompanying Russian President Boris Yeltsin on his state visit to Norway.

The vice-prime minister expressed the hope that the joint commission will work effectively and pointed out that the two countries have good prospects for bilateral cooperation.

"Norway is our neighbour and the basis of our cooperation is in the border regions adjacent to Norway," he said.

Soskovets noted that cooperation between border regions has reached a good level and is based on mutual interests, including those concerning property rights that some Norwegian companies now have in Russia.

Russian enterprises have also intensified their interaction with their Norwegian partners and set up more and more joint ventures with them.

The vice-premier believes that Russian-Norwegian cooperation can be very successful considering the results of last year when bilateral trade turnover between the two countries grew considerably.

Russia: Yeltsin Hopes for 'Headway' on NATO Expansion

LD2503175896 Moscow INTERFAX in English 1654 GMT 25 Mar 96

[From the "Diplomatic Panorama" feature: by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] OSLO, March 25 (Interfax) — Upon his arrival at the Oslo airport Monday, Russian President Boris Yeltsin told journalists that NATO issues will be an important topic during his talks with Norwegian officials.

"I would advise those who seek membership in NATO to do what the French did, that is to join the political committee, without joining the military organization," he said.

According to Yeltsin, during the talks he would like to find out the goals of NATO eastward enlargement. "This is most important for us," he said.

Before leaving Moscow Yeltsin told Interfax that "Maybe we will manage some headway on this issue," explaining that what is primarily meant is an agreement not to deploy NATO troops in Norway as it is "the only NATO country with a land border with Russia."

"For us this is very important," Yeltsin said, adding that "perhaps on some other questions, together, we will advance, too."

The president countered recent U.S. declarations that NATO's expansion eastward is inevitable by saying that

"it will be very hard for them to do since we have very many such declarations in reserve."

He reiterated his plan to visit Kiev April 4-5 and suggested that "Ukraine would like to take part in deepening integration within CIS, too."

"Something keeps it from doing so," Yeltsin said, adding that he will try to find out the reason during his visit to Ukraine.

Asked by a Norwegian journalist whether Russian Communist Party leader Gennadiy Zyuganov is dangerous for Norway, Yeltsin replied: "He is dangerous for all."

Russia: NATO Sec Gen Solana's Visit Reviewed

MM2503142296 Moscow ROSSIYSKAYA GAZETA in Russian 23 Mar 96

[Report by Tamara Zamyatina and Nikolay Kalintsev: "Two General Secretaries — of CPRF and NATO — Meet. Part of Javier Solana's Moscow Itinerary Led Him to Gennadiy Zyuganov" — from the "Home and Fatherland" section, p 3]

[FBIS Translated Text] An energetic, middle-aged Spaniard with a lively and graphic mode of speech and a gray professor's beard (he is a professor at Madrid University, incidentally) — that was how NATO Secretary General Javier Solana appeared at a meeting with Russian politicians and political scientists at the Russian Academy of Sciences' Europe Institute. NATO's main politician was visiting Moscow this week in order, as he put it, to bear witness to his respect for the Russian side and to inform it of the NATO alliance's position on the bloc's eastward expansion.

Mr. Solana assured those present that NATO today is totally different from the caricature of the Cold War years, and the secretary general himself made every effort to avoid presenting even any remote similarity to a NATO hawk.

In order to convince his interlocutors that "distrust and fear" have been overcome, Javier Solana told them a 19th-century anecdote — when Chancellor Metternich of Austria-Hungary asked "what was he thinking of?" in reply to a report of the Russian ambassador's death. Solana the optimist is convinced that we will never go back to those days.

"The possibility of war between the major European powers has today become unrealistic," the NATO secretary general reassured the meeting participants. Consequently, from his standpoint, NATO's eastward expansion should pose no threat to Russia's interests and is aimed solely at "safeguarding Europe's security from regional crises, the spread of nuclear weapons, and natural disasters."

Taking issue with those Russian politicians who are categorically opposed to NATO coming any closer to our borders, Solana, like a true diplomat, pointed out that NATO, as a democratic organization in which the principle of consensus in decisionmaking prevails, cannot refuse to admit Central and East European countries that are firmly resolved to safeguard their security thereby. And the secretary general ruled out the right of any country (meaning Russia) to interfere in that process. Solana also made no secret of the fact that the question of Russia's admission to the NATO bloc is on the agenda of neither the Kremlin nor NATO. Once again there was a verbal vignette — times move so fast, he said, that we cannot foresee rapid change today.

We have to take our hat off to the NATO man's skill at polemics. When a State Duma deputy tried four times to state on a broken microphone that "the Russian Federation's population is opposed to the bloc's expansion," Solana parried the question: "You have not done very much to maintain the balance in Europe through your decision to restore the USSR either."

In terms of the big picture there was nothing new in the statements by NATO's main politician — who has been in the post three months. What was interesting was the fact that he had come to Russia before the traditional tour which each new secretary general makes around the 16 alliance countries. We would add that the first foreign trip by Javier Solana, who took up his job only in December last year, was not to a NATO country but to the Balkans, to the former Yugoslavia. On his second trip there he visited a Russian brigade and battalion and spoke enthusiastically about this "first example that deserves to be copied" of cooperation between NATO and Russia to ensure long-term stability in the Balkans.

NATO is prepared to go further and deeper in relations with Russia than envisaged in the "Partnership for Peace" program, which already covers 27 states, according to Javier Solana's figures. But this will by no means compensate for NATO's expansion, during which Russia's former Warsaw Pact allies will gain equal rights with the great Western states — including a "nuclear umbrella" over their territories. That was a possibility which U.S. Secretary of State Warren Christopher admitted at a recent meeting in Prague with East European foreign ministers. It is apposite to recall that "Partnership for Peace" was once seen as a kind of ersatz membership of NATO for the former socialist countries, given Russia's negative reaction. Only a few years have passed since then, but none of the West's influential politicians are even mentioning this any more.

NATO's expansion is a fait accompli, they state unanimously. It is just a question of the timetable, and, taking account of the elections in the United States and Russia, Javier Solana said that it is possible that no specific candidates for admission will be named this year.

The NATO leadership is pretending that it does not understand the "advantage" which their plans to expand the bloc are giving the Communist opposition in Russia. Or perhaps it does. At any rate, Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, was one of the guests at a French Embassy reception in the NATO secretary general's honor. He was greeted willingly, and both Javier Solana himself and Western military attaches talked with him — whether to reassure the opposition leader or with an eye on future partnership....

In short, the NATO secretary general's busy program in Moscow gave him plenty of opportunity to realize that building a relationship with Russia today is no easy business.

Russia: Solana Visit Seen as 'First Act of Political Circus'

MM2503125796 Moscow SOVETSKAYA ROSSIYA in Russian 23 Mar 96 p 3

[Article by Yevgeniy Popov: "Why Did Secretary General Solana Come to Moscow? Smile of the Boa Named 'NATO' and Diplomatic Show Arena of Pre-Election Support for Yeltsin"]

[FBIS Translated Text] The first act of the circus show entitled "Yeltsin's uncompromising stand on NATO's eastward expansion" has been staged in the Kremlin. NATO Secretary General Javier Solana has held several meetings in Moscow, ending up with a souvenir photograph with the Russian president, who joked to the television camera: Primakov was inadmissibly soft in the talks with the NATO secretary general and is simply obliged to be tougher, and in view of Solana's uncompromisingness it is very possible that this is the last time he will be photographed with him. The 53-year-old physics professor from Madrid, who a few months ago became the boss at the NATO headquarters in Brussels, responded by smiling disarmingly.

He played his role, repeating at all the meetings that "Russia's vital interests will not be jeopardized as a result of NATO's eastward expansion." Yeltsin, like an artiste, did not make a slip either, making it quite clear that the rumors that Russia was prepared to soften its position on this question were totally groundless and that any haggling, to use the words of Kisa Vorobyaninov, the well-known "giant of thinking and father of Russian democracy" [character in Ilf and Petrov novel "The 12 Chairs"], was simply out of place here. At the same time the Russian democratic press continues to harp upon the idea that one of the key players in the Western alliance — Germany — takes a supposedly more flexible stand than its partners on the question of NATO expansion and is prepared to heed Yeltsin's arguments, although Helmut Kohl still refuses to meet in full the pledges which he once made to Gorbachev, when the latter played the staggering "geopolitical giveaway" gambit, destroying the socialist countries' defensive alliance and then also surrendering, one after another, all his partners and allies in East and Central Europe. Meanwhile, even before his widely publicized trip to Moscow, Javier Solana had granted a curious interview to a correspondent of DER SPIEGEL, the most popular German magazine, in which he called everything by its proper name — totally regardless of the harm that such revelations could do to Yeltsin's election campaign. He declared, in particular, that the admission to NATO of states which used to be Warsaw Pact members is a matter that has already been decided and that everything is going according to the plan drawn up in the alliance's Brussels headquarters. Replying to DER SPIEGEL's question about how Solana would comment on Kohl's agreement to admit new NATO members "no later than the year 2000," Solana said: "Maybe this will happen even earlier." The German magazine's correspondent did not deny himself the pleasure of commenting sarcastically on the metamorphoses in the political views of the present NATO secretary general. The point is that in the past, while a member of Spain's socialist government, he had been actively opposed to his country's joining NATO. But now he has suddenly "started singing songs eulogizing the alliance." Javier Solana responded to this by admitting with dismaying frankness that now that "times have changed" he thinks quite differently and even believes that "if NATO did not exist, it would have to be invented."

You cannot now surprise anyone in the world with political chameleonism. Western analysts make a perfectly realistic assessment of the first act of the "political circus" in Moscow involving the participation of Yeltsin and Solana and predict that the second act will also develop according to roughly the same scenario, when U.S. Secretary of State Christopher, who has arrived in Moscow, will be the Russian president's partner in talks. A BBC commentator unambiguously linked Yeltsin's negative reaction to the Western plans for NATO's eastward expansion with the upcoming presidential election: "A concession by Yeltsin over this question on the eve of the presidential election would be tantamount to political suicide."

In connection with Solana's visit THE MOSCOW TIMES mentions the agreement which he signed with Minister Shoygu and which the Russian democratic press does not publicize: It deals with "cooperation in planning operations" in connection with possible "emergency situations" in Russia. The newspaper also publishes an expressive map which you cannot help associating with Hitler's "Drang nach Osten" strategy: The countries whose admission to NATO was approved back in 1994 at the alliance's session in Brussels appear as a black belt in the East. A cartoon printed in the same issue is also highly expressive: Russia is surrounded by the letters NATO, which have closed around our country like an encircling giant boa. For the time being the boa has the charming smile of Javier Solana, who is staging a scenario of pre-election support for Yeltsin in the presidential election. But what kind of grin will there be on NATO's face by the year 2000?!

Russia: Christopher Prague, Moscow Visits Viewed

MM2503141596 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Mar 96 p 3

[Report by Olga Dmitriyeva and Stanislav Kucher: "NATO Takes Seat in 'Orient Express'"]

[FBIS Translated Text] The appearance of the chief of the U.S. diplomatic department in Prague, where he was servilely awaited by 12 foreign ministers from Central and Eastern Europe who had gathered for a meeting, illustrated in the best possible way Nekrasov's immortal saying: "When the master comes the master will settle our dispute." What "verdict" did the applicants for NATO membership, and it was they who came to the meeting in Prague, expect from Christopher? In general terms no verdict, apart from another "well done" for exemplary behavior for themselves and another rebuke for naughty Russia.

Christopher, in setting forth his thoughts on the future of European security (that was the title of his half-hour lecture in Prague) did not, of course, bypass Russia. But he did not dwell on the Duma incident, merely noting that he fully supports President Yeltsin's position. To the question of whether Washington would change its strategy if Communist Zyuganov wins the Russian elections in June the secretary of state replied that he does not doubt that whoever wins the elections Russia will not depart from the path of reforms.

The U.S. diplomat did not tell his counterparts who had gathered in Prague anything fundamentally new about their future membership. The only "surprise" was the hint that it is not out of the question that by the end of the year "several decisions" will be made regarding who will join NATO and when.

And so after the speech delivered in Prague by the United States' chief diplomat it became clear that the U.S. State Department is unequivocally reluctant to slow down the pace of NATO's expansion. Even earlier, at a meeting with NATO Secretary General Javier Solana the Russian president had frankly stated that his power resolutely rejects this stance. It seemed that after the mutual "preparation fire" the Moscow talks between Christopher and Yeltsin have every chance of being deadlocked. Yesterday, however, proved yet again the correctness of the idea that at a personal meeting politicians as a rule speak more about "common interests" than about "some differences."

The secretary of state tried to focus on "Russia's place in the new Europe." The thrust was as follows. His speech in Prague should not upset Yeltsin and company. Yes, NATO will be expanded but Russia is designed to play a most outstanding part in this process. As State Department spokesman Nicholas Burns noted, "We do not want to push Russia away. On the contrary we do not imagine Europe without him because Russia should work actively in NATO — both politically and militarily."

The second subject which the two sides discussed enthusiastically was the so-called "nuclear issues" and preparation for the G-7 April meeting.

Finally, in the evening, after the official talks with the present-day Russian power, Christopher had a "private exchange of opinions" with the candidates for a place in tomorrow's power. The meeting with the leaders of the leading Russian political parties and blocs took place behind closed doors in the U.S. ambassador's private residence. All well-known politicians — except Vladimir Zhirinovskiy — were invited.

Russia: Deliveries of U.S. Poultry to Russia To Be Resumed

LD2603105996 Moscow ITAR-TASS in English 1022 GMT 26 Mar 96

[By Ivan Lebedev]

[FBIS Transcribed Text] WASHINGTON, March 26 (Itar-Tass) — The export of poultry meat from the United States to Russia will be continued and the Veterinary Department of the Russian Ministry for Agriculture and Food will shortly resume the issuance of permits for the delivery of this American product to the Russian market. This is the main result of the first round of talks between the delegations of the two countries on quality guarantees of poultry meat delivered from the United States to Russia, which ended here on Monday.

Itar-Tass has received the text of a statement released by the Office of U.S. Vice-President Albert Gore, on whose initiative the talks were held. It says that, in accordance with the achieved agreement, Russia has officially acknowledged that the U.S. system of inspections and the American poultry meat were fully acceptable for the Russian market. Russian Chief Veterinary Inspector Vyacheslav Avilov confirmed during the negotiations that the import of the lots of meat, which were shipped to Russia before March 20th, would be permitted, the document says.

As earlier reported, the Veterinary Department of the Russian Ministry for Agriculture and Food suspended in mid-March the issuance of new permits for the import of U.S. poultry meat in order to supply only high quality products to Russian consumers and to prevent infectious diseases from being brought into the country. This decision was made after Russian inspectors had recorded serious violations of veterinary requirements during their inspection of poultry slaughter-houses and cold storages in the United States.

The statement released by Vice-President Gore's Office notes that the United States had agreed with the Russian demands during the negotiations. Agreement was reached on the system of quality examination of poultry meat which will include, in particular, inspections at American enterprises and mutual notification on problems disturbing this or that side.

The second round of talks on the export of U.S. poultry meat to the Russian Federation will begin here on Thursday. Members of the two delegations told journalists that the sides would discuss the possibiiity of lowering the customs duties on this product, which were recently boosted in Russia.

Russia: Russian-Iranian Nuclear Cooperation Discussed

NC2603111696 Moscow Voice of Russia World Service in Persian 1600 GMT 25 Mar 96

[Unattributed commentary]

[FBIS Translated Text] Russian Ambassador to Iran Sergey Tretyakov has said that after the completion of the Bushehr Nuclear Power Plant, Russia might help Iran set up other nuclear power plants. In an interview with ABRAR, the Russian diplomat said that on the basis of an agreement on bilateral cooperation in the peaceful use of nuclear energy, relations between Russia and Iran will not be limited to the construction of the Bushehr Nuclear Power Plant. A Radio Moscow commentator writes:

The first agreement was signed in January 199[illegible]. It envisaged the reconstruction of one block of the Bushehr Nuclear Power Plant on the Persian Gulf coast, construction of which was started by Germany's Siemens in the late seventies. The agreement also envisages the delivery of a light-water reactor. Construction will continue for 55 months, after which the power plant will be ready to receive fuel from Russia.

Commenting on Washington's concern over Russian-Iranian cooperation in nuclear energy, the Russian ambassador said this is not Russia's problem. This is America's problem. Russian-Iranian relations are not aimed at hostility toward other countries, but serve our countries' interests and regional peace and security. He added that Russia is an independent country and has the right to independently choose its friends.

According to Sergey Tretyakov, bilateral economic relations have recently increased but have not yet reached the high level enjoyed by political relations between Moscow and Tehran.

Russia's (Zarubesh Atom Energostro) has announced that it intends to honor its commitments toward Iran on the completion of the Bushehr Nuclear Power Plant, that is, within 55 months. [Name indistinct], the head of the company's office in Tehran, said in an interview with SALAM that Iranian subcontractors will repair the existing installations at Bushehr according to Russian plans within one year, after which Russian experts will begin their work. According to the Russian representative, the absence of technical documents for the existing installations built by Germany at Bushehr is one of the major problems. Iran's Atomic Energy Organization has undertaken to procure these documents. If it does not succeed, because of German disagreement, the German-built machinery will be replaced by Russian-built machinery.

Answering a SALAM question on the (Zarubesh Atom Energostro)'s interest in building a nuclear power plant in Iran, he said that project would have been easier. But Iran insisted on completing the nuclear plant started by the German company.

Russia: Foreign Ministry Official on Libyan Sanctions, Ties

LD2503173296 Moscow INTERFAX in English 1312 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, March 25 (Interfax) — The United Nations Security Council should not leave unnoticed the Libyan efforts taken to satisfy the international requirements, director of the Russian Foreign Ministry's department of the Middle East and North Africa Andrey Vdovin told Interfax Monday.

Russian Minister of Foreign Economic Relations Oleg Davydov passed over a personal message from President Boris Yeltsin to Libyan leader Mu'ammar al-Qadhdhafi during his visit to Libya late last week, said the diplomat.

He did not comment on the content of the message, but said it urged the need to overcome the deadlock in the situation around Libya.

Moscow also plans to work on bilateral relations.

The United Nations Security Council introduced sanctions against Libya in 1992 following Libya's refusal to extradite its two citizens suspected of the 1988 explosion on board the U.S. Pan Am plane which crashed near the Scottish settlement of Lockerbie. Some 270 people were killed in the terrorist act.

In 1994 the U.N. toughened sanctions against Libya, and Russia supported this decision.

One aim of Davydov's Libyan mission was to unblock some aspects of bilateral relations, said the diplomat.

He said they focused on economic and financial issues, which are not the concern of international sanctions and can be settled now.

Well-informed sources in the Russian government told Interfax the Tripoli negotiations discussed the debt problem, which caused some cooling in bilateral relations in 1992-1995.

Last summer Libya recognized Russia as the successor of the debt to the former Soviet Union, estimated at $2.4 billion.

"This enabled the two countries to start negotiations and reach an agreement on cooperation in the post-sanctions period," said the department director. In June 1995, Russia and Libya signed an agreement on trade and economic cooperation and founded a bilateral intergovernmental commission.

The overall cost of projects ensured by the cooperation agreement is some $1.5 billion. Under the agreement, Russian companies will help with the construction of oil and gas pipelines, thermal power plants and an electric power line in Libya.

Davydov had told Interfax that international sanctions against Libya hamper the development of Russian-Libyan relations. He said the sanctions regime is not so well grounded, because Libya has denounced terrorism and is working to meet the international requirements.

Russia: Moscow Ready To Assist Indonesia To Develop Nuclear Energy

LD2503182796 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, March 25 (Interfax) — Russia is ready to assist Indonesia to develop its own nuclear energy production, Russia's First Deputy Prime Minister Vladimir Kadannikov told an Indonesian delegation in Moscow Monday.

"Russia could render assistance to the construction of nuclear power plants in Indonesia," he said.

This subject could be raised during the future visit by Russia's Deputy Prime Minister Oleg Davydov to Indonesia, he said. Russia is also ready to agree on documents on trade, economic, military and technical cooperation, he said.

Kadannikov and the delegation announced their intention to create a bilateral commission for trade and economic cooperation.

In addition, Kadannikov offered the delegation government guarantees of Indonesian investments in industrial projects in Russia.

Russia could guarantee Indonesia investments in any of 600 projects selected by a government commission at a special tender last year. All of these projects will offer a return on investment within two years. The federal budget is to cover 20 percent of the needed funds. However, sources in the Russian Economics Ministry said this budget article was not financed at the start of this year.

Russia: Contact Group Meeting, Bosnia Prospects Viewed

MM2603115996 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Mar 96 p 7

["Our Commentary" by Yelena Kalyadina: "Peace in Bosnia a Stage at a Time"]

[FBIS Translated Text] On the day that the foreign ministers of the countries belonging to the Contact Group on Bosnia met in Moscow the peace in the Balkans was exactly three months old. And this means that in accordance with the Dayton agreements the first — military — stage of the peace enforcement process is complete. The Moscow meeting kicked off the second — political — stage.

The peacemakers' idea is that it should lead to a situation in which Serbs, Croats, and Muslims, who have been savagely annihilating each other in line with the wishes of their own and foreign leaders, will now start

to live in peace and friendship again, guided by laws which the leaders will dream up for them.

The holding of democratic elections in Bosnia, which has been officially declared unified and still multi-ethnic, is optimistically scheduled for September. Probably enough time to draft the laws and other documents needed for thus procedure. But who will want to carry out these laws? Maybe the 2 million refugees driven from them homes? The prospect of them returning home soon looks pretty gloomy. If only because of the example of the Bosnian capital of Sarajevo. Six months ago there were 130,000 Serbs living there. Now there are no more than 3,000. And for what kind of reborn friendship of the peoples are voters whose homes have been literally divided in half by the new demarcation lines going to want to vote?

The Serb Republic foreign minister brought a curious document to the Moscow meeting. It mentions, in particular, that the maps approved in Dayton have been redrawn on a different scale by the United States. As a result of which the Serb side has been surreptitiously robbed of 170 square kilometers of the possessions granted to it.

Incidentally, there is already a temptation to implement by force the process for the reunification of the peoples of Bosnia planned by Dayton. Convincing evidence of this was provided by the meeting of the international conference to assist the armed forces of the Muslim-Croat Federation held in Ankara on the eve of the Moscow meeting. Specifically it is planned to render aid totaling $700 million from the pockets of the United States and Islamic countries.

As for economic aid, as was announced in Moscow, these issues are to be addressed by the "economic donors" in mid-April. And although being a donor may has nothing at all to do with our Fatherland, it would be nice to see it among the Bosnia "contributors." Because it, having clearly lost out in the current Balkan war, has to make good its losses in the peace which has begun. By analogy with the once popular sports slogan, the main thing is to take part.

Russia: Kremlin 'Corrects Triumphant Lukashenka' on Integration

MM2603112496 Moscow KOMSOMOLSKAYA PRAVDA in Russian 26 Mar 96 p 2

["Topic of the Day" feature comprising report by Vasiliy Ustyuzhanin and "Stop Press" report by Dmitriy Babich under the general heading "Kremlin Gently Corrects Belarusian President"]

[FBIS Translated Text] It is perfectly obvious that the forthcoming reunification (let us describe the process thus) of Russian and Belarus will become a new hot spot in Russian pre-election battles. While things are much easier for the president of Belarus, who is now covered in plaudits: He has moved to accommodate the expressed will of his subjects, who voted for the deepening of integration with Russia in last year's referendum. Boris Yeltsin is in a trickier situation.

Yes, many Russians are indeed nostalgic for the former Union. But.... The expectations and sentiments of most citizens are by no means bound to be translated into appropriate political decisions. Here is the view of Stanislaw Bohdankevich, former chairman of the National Bank of Belarus and now leader of one of the major opposition parties: "Around the world blood is being shed for sovereignty, to ensure that nobody controls or commands you. But we want to have to give ourselves up to someone. Out of a conviction that somebody can save us. This is a mistaken conviction."

In Russia "Yabloko" leader Grigoriy Yavlinskiy argues in approximately the same vein. A forced union can only harm the idea of real unification. Russia has not only oil and gas but also Chechnya, a flourishing criminal world, and a budget in deficit. Will union help to solve any of these problems?

It is no coincidence that the Kremlin has started to backtrack and correct the triumphant Lukashenka. Yuriy Baturin, the president's national security assistant, explained in particular that there will not be a common budget (only the budget to fund the activity of the Interstate Integration Committee and the Interparliamentary Congress is planned to be common), that interstate, not supranational, bodies will be created (a significant difference), and that in general there is no talk of a unified state formation. Yesterday this was also confirmed by the Russian president.

Whatever the case, the signing of a bilateral treaty on deepening integration is planned for 2 April.

Stop Press

According to information from competent sources in the Kremlin, Belarusian President Lukashenka's speech about the creation of a union state of Russia and Belarus has caused confusion there, to say the least. Ratification of the agreements reached, even if they are signed on 2 April, will take several months. Even greater displeasure was caused in the Kremlin by the attempts by the Communists to award themselves the "unifiers"

This report may contain copyrighted material. Copying and dissemination

crown. "When Zyuganov states that integration is the fruit of his efforts he reminds me of the cock that claims that the sun rises because it crows," presidential aide Georgiy Satarov stated. Integration with Belarus will have absolutely no impact on the date of the elections in Russia, he is convinced.

Russia: Moscow's Attempt To Seal Off Sukhumi Port Seen Backfiring

MK2603111996 Moscow NEZAVISIMAYA GAZETA in Russian 26 Mar 96 p 3

[Report by Mikhail Globachev under the "Reverberations" rubric: "Border Troops' Nervous Gestures. Moscow Is Doing a Disservice to Itself by Sealing Off the Sukhumi Port"]

[FBIS Translated Text] Tensions over Abkhazia have heightened considerably over the past several days. All parties to the conflict display visible nervousness in connection with the uncertainty of their situation and prospects for the future. All of them, each in its own way, are placing their bets on the outcome of the presidential election in Russia. The Sukhumi authorities expect that in the event of Gennadiy Zyuganov's victory Russian policy with regard to Abkhazia will change drastically. Tbilisi, fearful of this eventuality, seeks to win the maximum support from Russia in the remaining time.

In practice this means that Moscow, being unable to satisfy Eduard Shevardnadze's desire to have Russian peacekeeping forces effectively occupy the whole rebellious territory, has seriously gotten down to tightening control on Abkhazia's borders, and that with a sometimes even greater zeal than its ally in Tbilisi. For instance, the heads of the CIS states decided at the Moscow meeting of 19 January that henceforth only humanitarian cargoes would be let into Abkhazia (even though for a country with a typically "tourist" economy, and one shattered by war at that, virtually any goods will fall into this category) and only upon authorization of the Georgian authorities. Subsequently it was agreed that these imports would pass customs clearance at the Georgian port of Poti, after which they would head for Sukhumi.

Boris Yeltsin's electoral advantages from decisively throwing his weight behind the Tbilisi authorities are fairly dubious, because the voters, excited by the prospects of a "Slavic union," will be unable to give credit to the current leadership's attempts "to bring order" to the Caucasus against the backdrop of a continuing war in Chechnya. Observers note that the new influx of volunteers from the North Caucasus republic to defend Abkhazia is hardly possible even in the event that the Georgian-Abkhazian conflict should deteriorate. But the mass refusal of the voters in these republics to vote for Yeltsin in June is a fully likely possibility.

Just as realistic are the troubles that threaten Russian servicemen on Abkhazian territory. After the incident where a Ukrainian merchant ship was "seized," there have been attempts to seal off the locations of their deployment. "When Russian border troops were evicted from Georgia, when servicemen were killed, and their families were assaulted, they were protected and shown considerate attention in Abkhazia," a statement of the Abkhazian parliament says. The situation might change at any moment.

The reasons for defending the territorial integrity and sovereignty of the brotherly CIS republics, of course, retain their significance. The question is, however, by what means an aspirant for political hegemony in the region, who is also called upon to be the guarantor of peace processes there, can achieve this goal.

Moscow did not find any other method in the eastern part of the Black Sea than downright privateering along the coast. Its political gestures appear to have turned out not only ineffectual, but simply petty in scale and nature.

Political Issues

Russia: Presidential Staff 'Purge' Seen as Ill-Timed

MM2303095796 Moscow IZVESTIYA in Russian 26 Mar 96 p 1

[Article by Valeriy Vyzhutovich: "Staraya Square, New Team. Personnel Reshuffles in Presidential Staff"]

[FBIS Translated Text] The Presidential Staff is undergoing another reorganization, which was launched in late January. Six hundred out of 2,100 people on the staff are to lose their jobs, and they have all now been declared surplus to requirements. It is planned to cut 19 of the 49 independent structures, and they are all now more serving out their time than operating effectively. In short, just two and a half months before the elections the Presidential Staff is virtually unable to function.

When he came in Nikolay Yegorov, the new chief of staff, made no secret of his intention to throw the whole weight of the staff placed within his charge behind Yeltsin's election campaign. And he noted the need to significantly strengthen the information and analysis service: "The staff and the head of state need the broadest flow of information, well thought-out conclusions based on it, and a harmoniously organized system of political planning."

But what is the situation today? It is precisely the analysis departments — politics, economy, sociology, regional problems, interethnic relations — that have been eliminated. On the other hand a general department and a composite department have been set up. What is there to generalize and collate when no analysis products are being turned out? That is a question that is occurring to Mark Urnov, who has been removed from the leadership of the Analysis Administration, Nikolay Popov, Eduard Dneprov, and Leonid Smirnyagin, for whom the new staff can as yet find no use, and other presidential experts whose great skills were seemingly hitherto not in question.

Another strange feature is this: Deputies are being appointed not after but before the people to whom they will serve as deputies. Thus Marat Guriyev is to be deputy to the leader of the Analysis Administration, who has not yet been appointed. While Vadim Pechenev has been made first deputy to the as yet nonexistent chief of the Main Program and Analysis Administration. He is choosing staffers according to his own tastes and notions, which were shaped at a time when this high ranking official now drafted into the presidential team was an aide to Chernenko.

Until recently Vadim Pechenev held a modest post in the Administration for Work With Territories, to which he moved from the Ministry of Nationalities Affairs, which used to be headed by Yegorov. According to the observations of staffers of the Analysis Administration, Pechenev is showing himself to be an ideologist of a great-power approach and an advocate of tough, strong-arm decisions. This is why he was promoted and made a right-hand man by Nikolay Yegorov, whose actions (in Chechnya, for instance) and political views are also very definite.

All the signs are that the new leader of the Presidential Staff has begun implementing the plan that he had already partially announced. Namely: to take part in defining a national policy capable of helping to "change all state policy in a social direction" and in international affairs of helping to shape a "more vigorous and dynamic policy in the sphere of upholding national state interests."

Sergey Filatov never dreamed of such powers. In terms of his administrative potential and degree of influence over the president, so many people in the Kremlin and on Staraya Square note today, Yegorov has considerably surpassed his ousted predecessor. Yegorov is now ranked number two — after Aleksandr Korzhakov — among people particularly close to the president with all-embracing and unlimited power. No document submitted for the president's signature now escapes the notice of the chief of staff. The level of centralization of official paperwork has risen to formerly inconceivable heights. The scale of the influence of the new Kremlin chief (in tandem with Oleg Lobov over the power departments, together with Vyacheslav Mikhaylov over the regions, and in alliance with Aleksandr Korzhakov over absolutely everything) has increased to huge dimensions.

However, all this is certainly not at odds with, on the contrary it is absolutely in line with the reorganized staff's main task — creating, in Yegorov's words, "an effective mechanism for coordinating all organs of power in the country."

Is there a need for such a mechanism? Certainly. Because many presidential edicts and directives are indeed not implemented, and monitoring of their implementation is extremely poor. In these circumstances, which have dogged Yeltsin since virtually the first day of his rule, the need for tough and efficient management does not appear farfetched. But unfortunately the promise "not to brandish sabers" when resolving personnel problems that Yegorov publicly made when he took up his post is not being kept. The "saber" has been unsheathed, and it is coming down on precisely the brightest heads. The most skilled, most competent presidential experts who have very fittingly proved their worth either have

already been dismissed or are languishing in uncertainty over their future career.

The staff purge launched by Yegorov is following traditions that you might have thought had now been partly forgotten. It is being directly handled by Vladimir Antipov, a former staffer of the Presidential Security Service who was recently appointed chief of the Main Administration for State Service and Personnel Questions.

The reorganization, inappropriate during an election campaign, which may not strengthen but paralyze the work of presidential structures, is giving the Communists yet another pretext for suspecting Boris Yeltsin of anticonstitutional intentions. Only a team that is expecting to remain in power by no means via a nationwide vote could devote itself so nonchalantly to apparatus games at the moment. If there are no such intentions, the uprooting of old administrative forests and the planting of new ones at the most unsuitable season look like real madness.

The changes taking place in the Presidential Staff also make it extremely problematical for democratic forces to unite around Yeltsin. As is well known, Yegor Gaydar has made the replacement of Yegorov a condition of his support. Because a choice between Zyuganov and his party men such as Varennikov, for instance, and Yeltsin and his administration as exemplified by Yegorov is no choice at all.

Russia: Kucher To Head Yeltsin's Information Directorate

MK2603111796 Moscow SEGODNYA in Russian 26 Mar 96 p 1

[SEGODNYA report: "A New Head of the Information Directorate"]

[FBIS Translated Text] Valeriy Kucher, chief editor of ROSSIYSKIYE VESTI, has replaced Sergey Nosovets as head of the Information Directorate at the Russian Federation president's administration. Valeriy Kucher learned about his appointment on board the plane of Nikolay Yegorov, head of the presidential administration, on the way to Urengoy. The impetuous style of this appointment is probably linked with the president's election campaign and tasks which are to be carried out by the Information Directorate, responsible, among other things, for contacts with the press. It is expected that Valeriy Kucher, considered to be quite an "insider" among democratic-minded journalists, will be able to establish more constructive relations with noncommunist mass media than his predecessor.

Russia: 'Cracks' Appearing in Communist Party Monolith

LD2503142396 Moscow NTV in Russian 1800 GMT 24 Mar 96

[From the "Itogi" newscast]:

[FBIS Translated Excerpt] The plans of the Kremlin to conclude a union with Belarus are a serious blow to the communists' positions who made nostalgia for the USSR one of the main trump cards of their preelection campaign.

The dissonance in the reactions by the opposition leaders to the latest actions of the Kremlin has again raised doubts about the monolithic nature of the preelection coalition of the left-wing forces. Vitaliy Trubetskoy has the details:

[Trubetskoy] The news about the upcoming drawing closer together of Russia and Belarus caught the communists by surprise. Essentially, the Kremlin managed to snatch the main election trump card out of the communists' hands by setting against the propaganda actions of the Duma real actions for integration within the framework of the CIS. However, it seems that the communists did not lose their heads. In an interview to "Itogi", the leaders of the party decided to take the merit for it themselves. [video cuts to show Valentin Varennikov, identified by caption as State Duma deputy and member of the Communist Party of the Russian Federation, and Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, speaking to camera]

[Begin recording] [Varennikov] There is no seizing the initiative here. What there is is the continuation of what the State Duma did, and only that.

[Zyuganov] That step gives grounds for hope because such a treaty will be signed almost two weeks after the Duma adopted the decision. We welcome that decision and think that the latest will of the Duma, of the people's deputies, essentially is beginning to be implemented. It is that rare case when we support executive power which adopts decisions which are extremely useful for the peoples of our country. [end recording]

So the communists supported the Kremlin but the ambiguity of this position is obvious because if Yeltsin is successfully carrying out the party's plans then why is Zyuganov running for president? On the whole, the history with the anti-Belovezhskaya Pushcha agreements has brought the communist party out and out losses. The most serious of them is the deepening of the cracks in the red monolith. Tough reaction by the Kremlin and the capitals of the CIS countries evoked slight panic in the communist camp. As a result, the once harmonious

choir immediately began to sing in different keys. [passage omitted]

There are other signs that all is not well in the communist party. According to our information, reassuring CIS ambassadors at a recent meeting, [State Duma Speaker] Seleznev told them that the party leaders reprimanded General Varennikov for his frightening words about the unpublished Maximum program. Varennikov himself denies that categorically: [video cuts to show Varennikov speaking to camera]

[Begin Varennikov recording] I think that I behaved correctly and my comrades have not levelled any criticism at me. [end recording]

Naturally, all the communists fiercely deny that there is a split in the party leadership, sometimes arriving at an unexpected conclusion. [video cuts to show Viktor Ilyukhin speaking to camera]

[Begin Ilyukhin recording] It is a method used by the special services. Certain rumors are put about to split the movement and certain information is given and it is passed off as reliable and, as they say, doubts are sown in people's minds. [end recording]

Nevertheless, it seems that there are problems with unity in the party ranks. Moreover, it is not limited to differences inside the CPRF. Recently, Zyuganov had problems with his allies. Although over 50 organizations aligned themselves with supporting him in the elections, there is evidently more quality than quantity. Some arm-twisting went on while others needed a long time to be persuaded. For instance, Sergey Baburin, leader of the Russian All-People's Union, is demanding in return for his signature the post of prime minister in a future communist government. In addition, Viktor Anpilov and Aman Tuleyev who claim to support Zyuganov, have still not given up their own claims to the post of president. It is most likely that if Zyuganov wins in June, the popular democratic alliance will have to forget about state matters for a long time and get down to resolving internal conflicts. If Yeltsin remains president, the danger of sinking into political oblivion hangs over the communist party. That can only alarm communists who are in the present system of power. Objectively, it is not victory in the elections which is to the advantage of a number of influential CPRF figures but an understanding with executive power and the preservation of the status quo — President Yeltsin and the commune of patriots as the main opposition force. We will probably find out soon whether that scenario will be played out.

Russia: Internal Struggle Within CPRF Examined

MM2503142196 Moscow IZVESTIYA in Russian 21 Mar 96 p 5

[Article by Sergey Chugayev: "They Want a New Chernenko. Party Leaders' Tough Power Struggle Behind Communists' Statements of Monolithic Unity in Their Ranks"]

[FBIS Translated Text] Communists have always guarded information about relations within the party and in particular among the party leadership more closely than state secrets. They strictly abide by this rule even now unlike the democrats, incidentally, for whom any internal conflict provides an excuse to convene a press conference. However, you can see even from what filters out from behind the tightly closed doors that the situation within the Communist Party of the Russian Federation [CPRF] is far from ideal.

You can hardly describe as coincidence the series of statements by prominent representatives of the Communist movement consistently debunking the image of the "Communist with the human face," what virtually amounts to a democrat, that has been cultivated so carefully in the person of the CPRF leader.

Suffice it to recall the virtually identical statements made by A. Rubiks imprisoned in a Riga jail and Russian parliamentary member V. Varennikov at a different time and place. First Rubiks said that, having analyzed all the CPRF's program documents and statements by the party's leader, he had come to the unequivocal conclusion that G. Zyuganov is a staunch Marxist-Leninist. Two weeks later the statement was repeated virtually verbatim by V. Varennikov. Given these people's clout within the Communist Party and among their voters, it can hardly be a question of a slip of the tongue. On the contrary, there are distinct signs of a well-organized campaign aiming not only to destroy G. Zyuganov's social-democrat image but also to depict the CPRF leader as a dependent politician, who only expresses the interests of the party and is totally dependent on that party.

Zyuganov convincingly demonstrated this dependence 17 March when he was forced during a meeting with his supporters to dramatically change his vocabulary to use Marxist-Leninist instead of social-democratic terms. Consequently, there are extremely influential forces deep within the CPRF, who have no interest in the party leader being a truly strong and independent politician capable of autonomously generating and implementing his own ideas, that is, an individual who is indeed suitable in every respect for the presidency of a great

power. These forces do not want a new Lenin. They want a new Chernenko.

There have been rumors of a conflict between Zyuganov and the second man in the CPRF, V. Kuptsov, for a fairly long time, virtually since the parliamentary elections. There have been serious suspicions for some time that the rumors originate from G. Zyuganov's team, which is circulating them in order to make their boss's social-democratic image more acceptable to the voters. However, judging by reports from reliable sources, one can confidently say that there is not just a split within the party as a whole and the party's State Duma faction in particular — the objective interests of at least three influential forces have come into conflict.

At first glance, the conflict seems like a clash between orthodox Communists and right-wing deviationists. But in actual fact it is not based on ideology at all. The main conflicts arose at the very start of Russian reforms when one section of the party's functionaries became ensconced in parliamentary offices, banks, and joint-stock companies and the other half was forced to carry on bringing the people onto the streets. The strain between these groups manifested itself after the Communists' election victory when over 100 new CPRF deputies entered the Duma "off the street." They fairly soon came to see that all the fairly important and appealing posts in the parliament had already been taken by their party comrades. By those same people who had voted in favor of the Belovezhskaya Forest agreements, who had at G. Zyuganov's prompting withdrawn from actively defending the White House, who had maneuvered and made compromises in the two previous parliaments primarily to protect their own interests. Thus, the first crack has appeared in the outwardly monolithic faction.

Two camps have effectively appeared. One comprises virtually the entire CPRF elite — mainly deputies with parliamentary experience, who head up various Duma subunits. Among them I can name V. Semago, O. Mironov, V. Zorkaltsev, A. Podberezkin, and V. Sevastyanov. They all have well-established ties with the executive, are well received in high places, and have reliable contacts with financial and commercial structures. That is, they differ little from the new Russian nomenklatura.

They prefer the CPRF's role as a parliamentary party. This section of the Communist elite is not interested in the party's wholly usurping power on coming to power. They are quite amenable to the CPRF's position as a very influential opposition force. The CPRF's victory in the parliamentary elections has already posed a threat to their established prosperity and a possible victory in the presidential elections may have totally unpredictable consequences (in the event of the dissolution of the Duma as outlined in the party's program it is extremely likely that they would lose their current posts).

This group of Communist deputies focuses on G. Zyuganov. He is like them. They have similar interests. If G. Zyuganov wins the presidential elections his group is happiest with the idea of his becoming like B. Yeltsin — a president independent of a party, who relies on his own team, of which they naturally expect to become the members.

Members of the other camp are for the most part newly-elected deputies. So-called backbenchers. The overwhelming majority of them are regional party functionaries, who got into the Duma on the party list. Right now they have neither parliamentary experience nor sufficient professional skills, which does not however affect their desire to experience the full range of benefits accruing from proximity to power. Therefore they are having to make up for their lack of professionalism by displaying their loyalty to ideals (in the Communist tradition). These members of the CPRF are grouped around V. Kuptsov, who, unlike G. Zyuganov holds the modest title of leader of the party apparatus. Their strategic aim is to concentrate power in the event of an election victory within the party apparatus and turn the president into an ornamental figure, who obediently carries out Central Committee instructions.

According to sources within the CPRF, V. Kuptsov enjoys the support of almost two-thirds of party members. Just over half the State Duma faction sides with him. But they are rank-and-file deputies.

A. Lukyanov, the strongest figure in the CPRF, stands aloof separating the two sides. He — a man who has experienced the heights of power — does not seem interested in the fuss that so appeals to his junior party colleagues. There is every indication that Lukyanov is more attracted by "art for art's sake" — political intrigue with victory lying at the end of an elaborate maneuver. He is particularly powerful when it comes to setting up various near-Communist coalitions. In particular, the establishment of contacts with Yabloko is being attributed to him. Lukyanov is stewing over the battle between Zyuganov and Kuptsov, alternately favoring each side.

The first serious conflict involving all three forces flared up two months ago. Only feeble echoes of this conflict reached the public domain. During the election of the Duma speaker V. Kuptsov's supporters decided to wage serious war against the Zyuganovites. V. Kuptsov put in a bid for the Duma chairmanship. And might, according to our information, quite well have been successful.

However, at the last minute (with A.. Lukyanov's assistance) the Communists' "fellow travelers" — the Agrarians and members of the "People's Power" faction — sided with G. Zyuganov, who was championing G. Seleznev's candidacy. V. Kuptsov's supporters suffered a complete rout. The victors did not even allow him to be nominated as vice speaker and as a result V. Kuptsov had to be satisfied with getting his main supporter — G. Goryacheva — onto the Duma presidium.

V. Kuptsov left the limelight for a while,, however he did not lay down his weapons but actively set about strengthening the party and faction apparatus. And he was extremely successful in this. G. Zyuganov's proteges were virtually cleared from the apparatus and today V. Kuptsov has the party structure under tight personal control. What is more, while giving G. Zyuganov a chance to speak at rallies, gatherings, and international forums, V. Kuptsov is still the CPRF's main ideologist. All the party's program documents have been written under his direction. According to our sources in the CPRF, if relations between G. Zyuganov and V. Kuptsov deteriorate again, one should not count on the former's being unconditionally victorious. V. Kuptsov is inclined to think that G. Zyuganov will be defeated in the presidenual campaign. In that case his political career will be at an end and the CPRF, which will nonetheless remain the main opposition party, will come under V. Kuptsov's complete control.

However, of late another political figure's ambitions have become visible within the CPRF. People in the party lobbies have begun to talk increasingly frequently of boosting Duma Speaker G. Seleznev as an independent figure. In formal terms he is part of Zyuganov's team, but of late he has begun to increasingly clearly display a desire for independence. We learned that during the recent visit to Norway by a parliamentary delegation led by G. Seleznev the speaker made a number of statements to a narrow group of people in which he hinted that he would like to see Russia as a parliamentary rather than a presidential or a Soviet republic. During a meeting at the KOMSOMOLSKAYA PRAVDA editorial office (journalism is a small world) he spoke of his sympathies for social-democratic ideas, but he then asked for all the passages on social democracy to be removed from the stenographic record of the meeting that had been prepared for publication.

I must admit that G. Seleznev has an objective interest in creating a parliamentary republic if only because he is the head of the parliament. G. Seleznev is already in power today, he is the only member of the CPRF to be one of Russia's top five leaders. His task is to hang onto what he has achieved. Therefore a victory for G. Zyuganov in the presidential elections objectively promises nothing good for Seleznev. Should the "strong Kuptsov-weak Zyuganov" scenario be realized, the rapid dissolution of the Duma can be expected along with the withdrawal from big-league politics of the current speaker unloved as he is by V. Kuptsov. If the "G. Zyuganov — strong president" scenario is successful, the importance of the Duma speaker will fall dramatically. What is more, the dissolution of the Duma with its majority in opposition to G. Zyuganov as president is not precluded under this scenario and consequently the fate of the speaker once again looks unpredictable.

On the other hand if the scenario whereby powers are redistributed between the president and the parliament is put into effect, that holds the promise of something quite inconceivable for G. Seleznev. Does the recent episode, which has been ignored by analysts, not indicate these hidden aspirations? I am referring to the unexpected suggestion made by G. Seleznev during his meeting with the president and made public later during one of his television interviews — namely that the presidential elections be postponed for about six months and that B. Yeltsin, along with the State Duma, legally abolish this post altogether during this period.

This scenario looks extremely likely: If Zyuganov wins an election victory, the favorite game of the postsocialist era will begin — a tug-of-war between the new president and the Duma speaker. Meanwhile G. Seleznev will have to rely on centrist deputies and even democrats who form the Duma majority. And he will most likely be given that support in the face of the threat of the restoration of the totalitarian regime. As a result a speaker-led antipresidential bloc may form in the Duma. That is, we will probably have the mirror image of the Yeltsin-Khasbulatov conflict. Or, which is more likely, the Gorbachev-Lukyanov conflict.

The inexorable logic of an apparatus struggle favors the latter hypothesis. There are serious clashes in the Duma today between the CPRF faction's apparatus and the Duma apparatus, which is geared to G. Seleznev. The apparatuses' objective interests are forcing them to impel their leaders into a power struggle. An extremely curious situation is developing in the process: In this struggle V. Kuptsov is dependent on the apparatus of a party, which is based on the faction apparatus. G. Seleznev has the powerful State Duma apparatus at his disposal. While G. Zyuganov is left without support — he does not have an effective apparatus of his own.

One conclusion suggests itself from what I have said: The Communists are prepared to enter power, but in the event of a Communist victory they are least able to

guarantee something that they are promising loudest of all — political stability.

Russia: Yeltsin Orders 'Rigid Checks' on Campaign Staffs' Work

LD2503143496 Moscow INTERFAX in English 1312 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, Mar 25 (Interfax) — Addressing the Council for Coordinating the Election Campaign in Moscow, Russian President Boris Yeltsin instructed it to "carry out rigid checks on the work of the numerous staffs" for organizing the president's re-election campaign, an informed source in the Kremlin told Interfax Monday.

He said Yeltsin's discontent with his election campaign was well justified. It is clear, he continued, that the numerous staffs and other election agencies largely do about the same work.

"All this has evolved into competition which is counterproductive," said the source. Whereas some regions have not set up a single agency for organizing the president's election campaign, others have set up up to eight agencies of this kind, he said.

The Council for Coordinating the Election Campaign which Yeltsin will run personally, is not a new organization, but "a consultative body where the heads of the main election staffs will be represented." It will comprise Sergey Filatov, the leader of the movement for the public support of Yeltsin's candidacy; First Deputy Prime Minister Oleg Soskovets, Deputy Prime Minister Yuriy Yarov and also "people with whom the president usually holds consultations," said the source.

He said that the president's instruction is already being implemented.

During the next couple of weeks, all available proposals will be dovetailed and a strategy of the election campaign shaped in which regional and public relations problems will figure prominently.

A list of persons representing Yeltsin's candidacy is being drawn. It will be handed to the Central Electoral Commission after Yeltsin has been officially registered as a candidate for re-election. Yeltsin's election team is also planning to organize public opinion polls, said the source.

Russia: Chernomyrdin Discusses Election Issues

MM2503092196 Moscow ROSSIYSKAYA GAZETA in Russian 23 Mar 96

[Interview with Russian Premier Viktor Chernomyrdin by Aleksandr Batygin, place, date not given: "We Will All Be Electing the President"; from the "Home and Fatherland" section pp 1-2]

[FBIS Translated Text] Boris Yeltsin has decided to head his election campaign personally. Viktor Chernomyrdin, who spoke to our correspondent, will be his right-hand man.

[Batygin] Viktor Stepanovich, it seems as though the times we are living in are only too rich in surprises. Following the State Duma decision to denounce the Belovezhskaya Forest agreements, the question arises — what kind of country are we all living in and what country's president are we planning to elect in three months' time?

[Chernomyrdin] For me there is no doubt about it. We will all be electing the Russian president. And we are all living in Russia. And we probably need to get used to the predictable moves by some of our opponents aimed at openly destabilizing the domestic political situation.

As for the Duma decisions on the so-called "denunciation" of the agreements, to my mind they are more than abstract. There is nothing surprising about them. Their true goal and the aim they are pursuing are obvious. They are aimed at the elections.

Incidentally, I am confident that the effect will be quite the opposite of that intended. After all, it is immediately clear who needs stability in Russia and in developing its relations with our nearest neighbors, and who does not.

Turning our country once again into a continent of unpredictability will not work. And it will be the voters who will prevent that from happening.

That is why, apart from the issue of what country a considerable proportion of our esteemed deputies are living in, their decisions give rise to no other questions. But people are people. Both in Russia and beyond. And they have a natural emotional reaction to this kind of step. Let me be blunt, it is a scathing reaction. And we will be seeing and hearing a great deal more yet.

Incidentally, one other point. Instructing the president to draw up a system of measures to further deepen integration between the Russian Federation, Belarus, and other former Soviet republics, as one of the State Duma decrees states, is tantamount to issuing a special decision prescribing that the day after Saturday be called Sunday. There is basically no sense to it.

I see this either as ignorance or as a failure to understand the huge amount of work being done within the CIS to bring about real rather than declared integration.

I can state that in late March the Russian, Kazakhstani, and Belarusian presidents intend to adopt and publish a number of major new decisions to strengthen the Commonwealth's existing integration core, as required by the logic of our life and the processes of restoring relations of friendship, mutual aid, and cooperation which are under way today. That way lies the future.

But attempts to take us all back to programmed collapse and the destruction of ties between fraternal peoples, back to the past, and back to the death throes of a dying Union can prompt nothing but confusion and pity.

Were this initiative to have legal consequences, Russia and Russians could find themselves in a very difficult position. Instead of rapprochement between the CIS countries there would be a period of caution and a cooling of relations. The economy would suffer noticeably.

I can now state with complete conviction that the president and the government will not allow this to happen.

Cooperation within the Commonwealth is developing gradually and is putting down deeper and deeper roots. We are essentially seeking and finding solutions every day to difficult problems both within the framework of multilateral dialogue and in bilateral relations. The past week has brought tangible improvements in our cooperation with Ukraine and Georgia.

[Batygin] Viktor Stepanovich, there are more than two months to go to the election, and the man viewed by many experts as Boris Nikolayevich's main rival has already made his first move. How might the game end, as chess players might put it?

[Chernomyrdin] The move made by our opponents proves just one thing — Boris Nikolayevich's rivals are prepared to play the game without any rules. They are prepared to ignore both the Russian Constitution and the country's international obligations. Everything related to Russians' genuine interests is just hot air as far as they are concerned.

Remember that it was the Communists, who were the majority in the Supreme Soviet, who voted without any spiritual hesitation for the collapse of the USSR. They are now trying to play on the emotions of millions of Russians. And you have to agree that it is pretty hard not to see that as blatant political cynicism.

[Batygin] It is well known that you will be supporting Boris Nikolayevich Yeltsin in the presidential election. Is that because he gave you your job or because you keep your word like a man should? Or do you believe that your time has not yet come? Or....

[Chernomyrdin] I have no "ors" or doubts on this score, nor have I ever had any.

Of course, I know that initiative groups to nominate me as a presidential candidate were set up in a number of parts of Russia. I have issued statements about this on a number of occasions. And, quite honestly, I was astonished by the demands made two or three days ago for "candidate candidates" to "turn down" nomination. I have repeatedly said that I do not plan to run in 1996.

Let me say a few words about the motives behind this decision — in human terms and, as you have said, as a man, it would have been difficult for me or just plain impossible to backtrack from the principles of comradeship and from what I have been through for the nigh on four years that I have been working side by side with Boris Nikolayevich Yeltsin. The president has made his choice to run for a second term. I, of course, can only be his comrade in arms.

And to give a very brief answer to the question of why I support Yeltsin, I can say one thing — because I support reform, the Russian Constitution, the peaceful settlement of the Chechnya conflict, and a normal life in our country. And all these things today are bound up — and closely bound up — with Boris Nikolayevich.

I am convinced that the "Russia Is Our Home" [NDR] movement will share all the hardships of the campaign with him and will give him all possible support.

Our priority task is to unite the supporters of democratic transformations and convince them to vote for the president.

Incidentally, we can now count on winning over to our side a considerable number of voters who voted for lists of left-wing candidates at the Duma elections. Because it is one thing to ensure that they are represented, even substantially so, in the lower house of parliament as a kind of counterweight to the president and the government. And it is quite another thing to entrust to their leaders the bridge of our ship of state. I hope that many people will think hard about what this would cost Russia.

This is why we and other sociopolitical forces are working to create a broad coalition of support for Boris Nikolayevich Yeltsin as our presidential candidate.

The election for the Russian Federation president will be the central issue at the movement's coming congress. We should clarify yet again and flesh out our program provisions, strategy, and the movement's tactics in the election campaign.

The NDR is now building an image as a calm, balanced, stable, and creative force. And that is the calling card of our political style.

I would spotlight three points here. First, direct day-to-day work with people in the regions. We must be enterprising and recognizable, we must strive for real improvements in people's lives. We should not steer clear of "small-scale work" because it is ultimately the building block of major success.

Second, there is openness and "transparency" in the adoption of major decisions in the socioeconomic sphere. Let me be blunt, the NDR has by no means the least role to play in this area. We need an open and trusting discussion with people — if you like, a simple and accessible elaboration of why certain issues have been or are being resolved in one way rather than another. There is nothing to be embarrassed about in this area. And if we are sometimes unable to say what we should and thereby convince people, then we need to learn how to do it. I believe that we should redirect our movement's propaganda work in precisely this direction.

And third and finally, there is the matter of the practical implementation of the goals and tasks of current and medium-term policy within the framework of the unified policy of the president and the government. On the basis of the election results the NDR has retained its strong positions within the structures of the executive and has won strong positions in the legislature. That is why our movement's responsibility for the progress of work in our country is becoming greater — and this means that the NDR's voice should be heard more firmly and more loudly.

And I am convinced that everyone who values our Russia will heed us.

Russia: Zhirinovskiy Collects Over 1 Million Signatures

LD2503181996 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, March 25 (Interfax) — The action committee that nominated leader of the Liberal Democratic Party of Russia (LDPR) Vladimir Zhirinovskiy for Russia's presidency has collected over 1 million signatures.

"The residents of the Moscow region, Ulyanovsk region, Orenburg and Nizhniy Novgorod regions and Moscow itself proved most supportive of Vladimir Zhirinovskiy," a committee spokesman told Interfax.

"The collection of signatures is going calmly and confidently," he said.

"The action committee plans to collect 1.5 million signatures in support of the LDPR leader and submit them to the Central Electoral Commission by April 5," he said.

According to Russian electoral law, at least 1 million signatures must be submitted to the commission by April 16 for official registration of a candidate.

Presidential elections in Russia will be held on June 16, 1996.

Russia: Zyuganov: 'Complete Legal Mayhem' if Elections Not Held

LD2603105296 Moscow ITAR-TASS World Service in Russian 0945 GMT 26 Mar 96

[By ITAR-TASS correspondent Valentin Pavlov]

[FBIS Translated Text] Barnaul, 26 Mar (Itar-Tass) — "The main task is to do everything possible to ensure that the presidential elections go ahead," Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation and presidential candidate, said at a news conference in Barnaul today, while on an electioneering trip round Altay Territory. In his view, "very serious attempts to wreck" the elections could be made and "if the elections don't take place there will be a complete legal mayhem in the country, something that cannot be allowed."

Commenting on the decision by the State Duma regarding the Belovezhskaya Pushcha agreements, Gennadiy Zyuganov said that these decisions in no way infringed anyone's sovereignty, and it was just a case of voluntary, gradual integration. "The will of the people, expressed in the referendum five years ago has to be implemented," said Gennadiy Zyuganov. "Now Belarusian President Alyaksandr Lukashenka is voluntarily and vigorously pursuing this policy and we welcome this."

Gennadiy Zyuganov also held a meeting today with the heads of the adminstration and Legislative Assembly of Altay Territory, at which he expressed several wishes and proposals, including on amending the national budget, protecting the territory's population from the effects of the Semipalatinsk nuclear tests, supporting rural manufacturers, and others.

Russia: Yeltsin's Law on Legal System Faces 'Serious Obstacles'

LD2503182496 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, March 25 (Interfax) — The Russian State Duma's First Deputy Chairman, Aleksandr Shokhin (Our Home is Russia faction),

stated that the president-proposed draft law on ensuring the stability of Russia's legal system and on the confirmation of its international commitments would come up against serious obstacles. He made this statement during a press conference Monday, speaking about the possible consequences of the State Duma vote denouncing the 1991 Belovezh Accords, passed on March 15.

The bill submitted to the State Duma by President Yeltsin proposes that the accords on the formation of the CIS and the Russian parliament's resolution of December 12, 1991, denouncing the 1922 Treaty on the Formation of the Soviet Union, be confirmed.

Shokhin believes that by accepting the president-proposed draft law "the State Duma would save its face, as formally its vote of March 15 would be disavowed not denounced." "The communists, however, will find it difficult to accept the draft law, as by doing so they will recognize their political and legal mistake," he argued.

Noting that the March 15 vote denouncing the Belovezh Accords "is not binding for anyone except the Duma," Shokhin said that "thus the State Duma has cast doubts on its own legitimacy."

"A situation of 'neither peace, nor war' may arise, whereby the Federation Council will refuse to consider laws adopted by a non-existing Duma, and the president will refuse to sign them," said Shokhin. He believes that "The Constitutional Court will have to consider this collision."

Russia: Zyuganov Advocates Policy Restoring USSR 'By Degrees'

BR2503151796 Madrid EL MUNDO in Spanish 24 Mar 96 p 26

[Interview with Russian Communist Party Secretary General Gennadiy Zyuganov by Francisco Herranz in Moscow; date not given: "I Swore Loyalty to the Red Flag and the Latter Is Still in Force"]

[FBIS Translated Text] Moscow — General Gennadiy Zyuganov, 52, is the favorite in all opinion polls, ahead of the current tenant at the Kremlin. Prepared to negotiate with the Chechen guerrillas, the gray-colored leader of the Russian Communist Party [CPRF] believes his disciplined organization is heir to the best traditions of the CPSU [Communist Party of the Soviet Union], and that Russia would not tolerate another coup d'etat.

[Herranza] Why have you rejected the 1991 Belovezhskaya agreement, which put an end to the Soviet Union?

[Zyuganov] Last March 17 marked the fifth anniversary of the referendum in which two-thirds of the population voted in favor of living in a unified state. Violating that referendum was illegal. All we are doing is putting things back in their proper place, in accordance with the voters' will. The USSR's disintegration is an accomplished fact. Nobody is aiming to restore it by force. We are implementing a series of measures to restore economic and political links with Belarus, Ukraine, and Kazakhstan. We advocate a policy based on agreements which, in accordance with the law and without resorting to arms, will reestablish the USSR by degrees.

[Herranza] If you are elected president, will you negotiate with Chechen secessionist leader Dzhokar Dudayev?

[Zyuganov] Our aim is to reach a peaceful solution. We do not rule out negotiating with anybody as long as we can manage to stop the war. Furthermore, I would set up a mechanism for social dialogue between all the peoples in the northern Caucasus so as to force the more radical guerrillas to submit to its resolutions. Besides, we must adopt measures to prevent weapons from continuing to arrive in Chechnya.

[Herranza] Do you not agree that President Boris Yeltsin is not the sort of man to give up power?

[Zyuganov] Any politician must be prepared to leave his office. We are preparing a law on the transfer of power to prevent any surprises. If Yeltsin dares promulgate illegal decrees, he will punished in accordance with the law.

[Herranza] What if Yeltsin carries out a coup?

[Zyuganov] Three coups are too many for one person.

[Herranza] Are you planning to prosecute Yeltsin for the shelling of parliament in 1993?

[Zyuganov] I am against any type of repression or historical revanchism, and in favor of doing everything in accordance with the law. We must avoid confrontation and revenge and find a civilized way of living together, as happened in Spain. For stability to be possible, people must devote themselves to their work rather than to settling accounts.

[Herranza] Do you maintain contacts with the security services?

[Zyuganov] Yes. I myself worked with the police, the public prosecutor's office, and the judges for five years. I know that world very well. I can even tell you that we know that not so long ago Yeltsin approached the secret services asking them for support in his election campaign.

[Herranza] What do you think of former Soviet President Mikhail Gorbachev's candidacy?

[Zyuganov] Gorbachev has a very uncommon quality: He has never been able to adequately gauge his own possibilities. His candidacy is rather like a comedy. Despite the fact that he apologized to the country, we should not forget that it was he who dismembered the USSR, and now he seems determined to do the same with Russia. Nobody believes him.

[Herranza] What are the differences between the new and the former Communists?

[Zyuganov] A full 100 per cent of the people in Yeltsin's entourage were CPSU members. The current government in power took over the worst traditions of the CPSU, which was not a party but a system to rule the country. The situation in the CPRF is completely different. We have inherited the best traditions of the CPSU: justice, friendship among the peoples of the world, and respect for workers.

[Herranza] How do you intend to solve the economic problems without putting the money-printing machine to work?

[Zyuganov] We have no intention of putting that machine to work. We must encourage investments and manage to bring back the capital which fled abroad. We need a different fiscal policy. This also applies to foreign investors. At present, the latter are afraid of Russia because the rules of the game are not respected here, prices change every three months, there are no guarantees, and there are limitations when it comes to repatriating profits.

[Herranza] Would you be prepared to change Russia's symbols?

[Zyuganov] Any country's symbols must unite its citizens and must be respected. I feel a lot of respect for the symbols of czarist and Soviet Russia. The present symbols have been instituted without consulting the people. I am in favor of a nationwide debate, including the possibility of holding a referendum to enable the people to adopt the symbols they believe most appropriate. When I served in the army, I swore loyalty to the red flag. This flag is still in force, nobody has abolished it.

[Herranza] Do you plan to maintain capitalism?

[Zyuganov] Any form of property must be protected and guaranteed by law. The same applies to a multi-party system and the right to free elections. The freedom of opinion and information must also be guaranteed.

Russia: Seleznev Plays Down Fears Over Restoration of USSR

LD2603115096 Moscow ITAR-TASS in English 1119 GMT 26 Mar 96

[By Vladimir Abrosimov and Pavel Kuznetsov]

[FBIS Transcribed Text] SOFIA March 26 (Itar-Tass) — The communist speaker of the Russian State Duma admitted that the resolution of the lower house of the Russian parliament, which repealed the USSR disintegration agreement, took many people aback, but said that it had triggered no extraordinary consequences and only confirmed the will of the peoples in the former Soviet republics to unite.

"After the Duma passed the well-known resolutions, (Mikhail) Gorbachev did not become the president of the USSR again. Russia did not lose its sovereignty and no coup d'etat took place", he told Bulgarian parliamentarians on Tuesday.

However, the speaker agreed that the wide negative response in the world to the Duma decision was caused by the "circumstance that many people did not expect such documents from Russian legislators".

Still Seleznev stressed that "the will of the peoples of former Soviet republics to unite undoubtedly exists".

The unification, according to him, can be implemented through referenda and also "by assessing how much that may cost".

Russia: Background of New Central Bank Deputy Chairman Detailed

MM2503150496 Moscow FINANSOVYYE IZVESTIYA in Russian 21 Mar 96 p 3

[Article by Ivan Zhagel: "Appointment of New Central Bank Deputy Chairman Finally Closes the 'Black Tuesday' Affair"]

[FBIS Translated Text] The Central Bank of Russia press service has announced that Aleksandr Potemkin has been appointed new deputy chairman of the Central Bank: Prior to this he was director of the foreign operations department.

Strictly speaking, A. Potemkin retains the function of department director and this dual appointment could be viewed as an elevation in status which is due to the range of questions of which he is in charge. And they are quite responsible functions, ranging from the definition of domestic currency and exchange rate policy and the preparation of the country's balance of payments and ending with the management of the Central Bank's currency reserves, relations with international financial

organizations, oversight of former Soviet and now Russian banks abroad, and the state of the foreign debt.

Former Central Bank Deputy Chairman Dmitriy Tulin was once in charge of these questions but over a year ago he was appointed Russia's representative to the IMF and since then this situation has been vacant. Presumably another reason for this is that the "Black Tuesday" affair had not been settled. A report prepared by a special commission lists among the culprits many well-known names including former Central Bank Chairman Viktor Gerashchenko, acting Finance Minister Sergey Dubinin, Dmitriy Tulin, and finally Aleksandr Potemkin.

Such an impressive company amounted at least to a state conspiracy. But at the same time the very extensive list of culprits raised doubts about the objectivity of the accusations and given that Stalin's times ended long ago it was absurd to hope that the case would be concluded without sufficient evidence and this is strictly speaking what has happened. The "conspirators" have effectively been rehabilitated without any charges leveled and they now hold responsible posts in commercial and state structures. And A. Potemkin's elevation may be regarded as finally closing the "Black Tuesday" case.

As for the new Central Bank deputy chairman's track record, this shows that the candidate has considerable experience and professionalism. From 1982 through 1991 A. Potemkin worked in the Foreign Trade Bank of Russia and before that in the USSR Bank for Foreign Economic Activity. He was instructed to organize the first foreign currency auctions. In 1991 he became chief of the Central Bank of Russia's international operations administration and then of an analogous department where from the very outset he worked on the creation of a currency exchange and the organization of the currency market.

He took part in developing and implementing the system which made it possible to avoid the almost complete removal of foreign currency from exporter enterprises and to switch initially to the partial sale of hard currency revenue followed by its free sale. Incidentally, this system has subsequently been copied by many CIS countries and even China. Under his guidance the Central Bank set up a modern dealing center, which made it possible to raise the standard of currency reserve management, and formed the interbank currency market system.

Russia: Duma Vote on Minimum Wage, Pensions Deplored

MM2503143996 Moscow ROSSIYSKIYE VESTI in Russian 22 Mar 96 p 1

[Feature on Duma minimum wage vote comprising "President's Assessment," citing presidential press secretary Sergey Medvedev; "Economic Viewpoint" by Marina Kryuchkova, and unattributed "Political Viewpoint": "Reds' Second Terrorist Act in Duma. President and Government Confident They Will Be Able To Protect Citizens' Well-Being from Encroachments by Left-Wing Deputies"]

[FBIS Translated Excerpt] [passage omitted]

"Economic Viewpoint"

No wonder there were strong words about the Russian Federation State Duma's latest initiatives — on increasing the minimum wage by 20 percent as of 1 April and increasing minimum pensions as of 1 March — from the lips of the president's economic aide. The laws approved by the deputies will cost the state at least 1 trillion rubles [R] per month at least. On top of that, no changes were made to the budget. It is the old disease again: In a situation where the budget has already been approved, decisions are made that are not backed up by financial resources. Consequently, other programs, above all the payment of pay arrears, will be in jeopardy.

It is no accident, I believe, that the State Duma's decision came at the moment when the executive authorities, for the first time in the entire reform period, were close to finally dealing with the very acute problem of paying wages. According to Nikolay Yegorov, chief of the President's Staff, by 15 March the Russian Finance Ministry had fully completed financing the pay requirement of the entire budget-funded sphere. Citizens were to be finally paid off within 10 days at most — the time required for the money to go from the federal treasury to the regions.

But if the laws adopted by the State Duma are signed by the president, they will inevitably cause a new surge of pay arrears in April-May. Millions of Russians will be victims again.... But what are our futures compared with the thrill of the election race! The "end justifies the means" — this was always the Communists' (whose parliamentary majority ensured the unimpeded passage of the aforementioned laws) characteristic motto. You only have to look at the history of the Communist Party's rule, stretching over more than 70 years. Moreover, the greater the resentment, the stronger the support for the left....

As a result of the deputies' populist actions the payment of pensions could become an acute problem. The state already owes money to hundreds of thousands of pensioners. Pension arrears in various regions are between two weeks and one month. In Karelia, for example, 200,000 northern pensioners are spending days waiting in line. Enterprises that are in arrears are doing their utmost to avoid paying money into the Pension Fund — they are even arranging "underground" accounts, where they keep their money and thus avoid compulsory transfer of it to the fund.

In these conditions the State Duma has decided to increase the minimum pension, and what is more the legislators took as their base point the level in February, when as a result of a presidential edict various extra compensatory payments to pensioners were introduced! Outside the context of the election struggle this law would at the very least appear to make a mockery of the hopes and feelings of millions of old people. Even now things look no better. Indeed, I have no reason to accuse the deputies of ignorance of the actual economic situation in the country....

"Political Viewpoint"

In a country with a stable or growing economy a decision to increase minimum pay would be bound to be greeted with universal celebration. Why, then, did the Duma's "gift to the people" cause only more anxiety? Not only because the actual economic impact could be a negative one. There is concern about the State Duma's consistent actions to destabilize the economic and political situation in the country in the approach to the election.

The Duma Communist majority, to the accompaniment of words about the "good of the people," "voters' interests," and so on (the comrades are well versed in demagoguery), has adopted a series of documents allegedly resolving certain problems but in fact merely complicating the situation, gratuitously exacerbating it, and disorientating citizens. What did the "anti-Belovezhskaya" decree do for ordinary people and officials dealing with integration matters? Nothing except make them question the deputies' common sense. If they could "restore the USSR" at a stroke, who can guarantee that to accompany another election campaign they would not restore to us the Council of People's Commissars, the Regional Economic Council, the party economic aktiv?

The Constitution protects us at the moment from such tricks — laws are adopted by the Duma, but they must have the approval of the Federation Council and the president. The current senators are practical leaders and are not prone to make populist decisions, so they amend many State Duma "initiatives." Duma deputies know this, therefore they present some of their decisions in the form of decrees, very well aware that they have legal force only as far as the deputies themselves are concerned. But there is always that irrepressible desire to exceed their powers, which is characteristic of the Soviet political mentality. And unless they are watched and the public assesses and rebuffs the most odious decisions, the deputies could become accustomed and could get us used to the idea that "anything goes."

Russia: Yeltsin Ratifies Statute on Presidential Control Body

MM2103141196 Moscow ROSSIYSKIYE VESTI in Russian 21 Mar 96 p 1

[From unattributed "President" column]

[FBIS Translated Excerpt] [passage omitted]

Main Function Is Control and Checking

In his edict of 16 March Boris Yeltsin ratified the Statute on the Russian Federation President's Main Control Administration. The Statute says, inter alia:

"The Main Administration's chief functions are:

"to monitor and check the implementation by the federal organs of executive power, the Russian Federation components' organs of executive power, and their officials and organizations of federal laws and Russian Federation presidential edicts and directives;

"to monitor and check the implementation of assignments from the Russian Federation president and the leader of the Russian Federation Presidential Staff;

"to prepare on the basis of these checks information for the Russian Federation president on preventing infringements and improving the work of the federal organs of executive power and the Russian Federation components' organs of executive power."

Teachers To Receive Awards

Boris Yeltsin has signed an edict ratifying the Statute on Russian Federation Presidential Awards in the Field of Education and the Procedure for Submitting Work for Russian Federation Presidential Awards in the Field of Education.

For your information: Russian Federation presidential awards are to be made for the introduction of innovative developments in the sphere of education and for the creation of effective teaching equipment. Every year 15 awards will be made, each worth 600 times the minimum wage. The presentation of the awards is to coincide with the annual celebrations of Teachers Day on 5 October.

The Russian Federation Government will make an annual announcement in the mass media in February about the submission of work for the awards. [passage omitted]

Russia: Yeltsin Edict on Organizational Body of Presidential Staff

MM2103155096 Moscow ROSSIYSKAYA GAZETA in Russian 20 Mar 96 p 3

[Russian Federation President Edict No. 387 "On the Organizational Administration of the Russian Federation Presidential Staff" signed by President Yeltsin on the Kremlin, Moscow, on 18 March 1996]

[FBIS Translated Text] To ensure collaboration among subdivisions of the Russian Federation Presidential Staff, I decree:

1. The Organizational Department of the Russian Federation Presidential Staff is to be transformed into the Organizational Administration of the Russian Federation Presidential Staff.

It is established that the Organizational Administration of the Russian Federation Presidential Staff shall have the status of an administration of the Russian Federation Presidential Main Administration.

2. Changes arising from this Edict are to be made to the organizational structure of the Russian Federation Presidential Staff as approved by the Russian Federation President's Edict No. 117 of 29 January 1995 "Questions of the Russian Federation Presidential Staff" (Appendix 2).

3. This edict shall enter into force from the day of its signing.

[signed] B. Yeltsin, president of the Russian Federation

[dated] The Kremlin, Moscow, 18 March 1996
Edict No. 387

Russia: Members of Powers Demarcation Commission Named

MM2603111796 Moscow ROSSIYSKAYA GAZETA in Russian 19 Mar 96 p 5

[Untitled Russian Federation president's directive No. 121 signed by Russian Federation President B. Yeltsin on 12 March 1996]

[FBIS Translated Text] 1. The new composition of the Russian Federation President's Commission To Prepare Treaties on the Demarcation of Responsibility and Power Between Federal Organs of State Power and Organs of State Power in Russian Federation Components (appended) is approved.

2. This directive comes into force the day it is published.

[signed] Russian Federation President B. Yeltsin

[dated] 12 March, 1996

Composition of the Commission To Prepare Treaties on the Demarcation of Responsibility and Power Between Federal Organs of State Power and Organs of State Power in Russian Federation Components

S.M. Shakhray, Russian Federation Federal Assembly State Duma deputy (Commission chairman — by agreement);

V.A. Mikhaylov, Russian Federatiom minister for nationalities and federal relations (Commission deputy chairman);

A.G. Shapovalyants, Russian Federation first deputy minister of the economy (Commission deputy chairman);

V.K. Batsyn, Russian Federation deputy minister of education;

A.I. Bedritskiy, head of the Russian Federal Service for Hydrometeorology and Environmental Monitoring;

L.F. Bezlepkina, Russian Federation minister of social protection for the population;

A.O. Bogdanovich, Russian Federation deputy minister of railways

V.N. Bugayenko, first deputy chief of a Russian Defense Ministry directorate;

K.E. Buravlev, Russian Federation deputy minister of finance;

Yu.B. Volegov, Russian Federation deputy minister of culture;

V.D. Galants, deputy head of the Russian Federal Employment Service;

Yu.N. Grekov, Russian Federation first deputy minister of foreign economic relations;

V.K. Grigoryev, first deputy chief of department at the Russian Federation President's Staff Main State Law Administration;

V.P. Gritsayev, deputy chairman of the Russian Federation Committee for Precious Metals and Precious Stones;

V.N. Gunko, chief of department at the Russian Ministry of the Environment and Natural Resources;

M.M. Dzybov, chief of department at the Russian Ministry for Affairs of Civil Defense, Emergency Situations, and Elimination of Natural Disasters;

G.P. Dubrovin, deputy chairman of the Russian Federation Committee for Land Resources and Land Management;

K.M. Dyumayev, Russian Federation deputy minister of science and technical policy;

A.M. Zhokin, deputy chairman of the Russian Federal Inspectorate for Nuclear and Radiation Safety;

V.M. Zhurakovskiy, deputy chairman of the Russian State Committee for Higher Education;

V.A. Zelenkin, deputy chairman of the Russian State Committee for the Management of State Property;

V.F. Korelskiy, chairman of the Russian Federation Fisheries Committee;

A.A. Kotenkov, Russian Federation president's official representative in the Russian Federation Federal Assembly State Duma (by agreement);

N.N. Kuznetsov, deputy director of the Russian Federal Tax Police Service;

P.M. Latyshev, Russian Federation deputy minister of internal affairs;

V.A. Maksimtsev, deputy chairman of the Russian State Technical Commission;

N.S. Marder, Russian Federation deputy minister of communications;

V.I. Matviyenko, director of department at the Russian Ministry of Internal Affairs;

G.N. Matyushov, Russian Federation deputy minister of transport;

O.V. Morozov, deputy chairman of the State Duma Committee for Federation Affairs and Regional Policy (by agreement);

M.B. Mukubenov, chief of administration at the Russian Ministry for Cooperation with Member-States of the CIS;

P.V. Nidzelskiy, Russian Federation deputy minister of fuel and energy;

A.V. Piruyev, chairman of committee at the Russian Ministry of Atomic Energy;

V.I. Potapov, first deputy chief of the Russian State Tax Service;

S.N. Samoylov, deputy chief of the Russian Federation President's Staff Administration for Work with Territories;

A.K. Safontyev, chief of administration at the Russian State Defense Industry Committee;

S.V. Semenov, first deputy chairman of the Russian State Committee for Sanitary and Epidemiological Supervision

A.M. Stepanov, Russian Federation deputy minister of justice;

A.S. Starodubets, chief of administration at the Russian Federal Border Service;

A.Ya. Sukharev, acting director of the Scientific Research Institute of Problems of Strengthening the Rule of Law and Law and Order under the Russian Federation General Prosecutor's Office;

A.P. Sychev, chairman of the Federation Council Committee for Federation Affairs, Federal Treaty, and Regional Policy (by agreement);

I.G. Ushachev, Russian Federation deputy minister of agriculture and food;

B.K. Filimonov, deputy head of the Russian Federal Forestry Service;

N.Ye. Fonareva, deputy chairman of the Russian State Committee for Antimonopoly Policy and Support of the New Economic Structures;

V.A. Khotochkin, first deputy chairman of the Russian GKFT [expansion unknown];

N.V. Chulkov, deputy head of the Russian Federal Migration Service;

V.N. Shabalin, Russian Federation deputy minister of health and the medical industry;

V.P. Shcherbakov, first deputy chairman of Russian Federation Committee for Geology and the Use of Natural Resources;

V.A. Yanvarev, Russian Federation deputy minister of labor;

A.A. Yanik, head of the secretariat of the Russian Federation President's Commission to Prepare Treaties on the Demarcation of Responsibility and Power Between Federal Organs of State Power and Organs of State Power in Russian Federation Components (Commission executive secretary).

This report may contain copyrighted material. Copying and dissemination

Russia: Government Decree on Ministry of Railways Statute

MM2603115396 Moscow ROSSIYSKAYA GAZETA in Russian 21 Mar 96 p 4

[Russian Federation Government decree No. 202 signed by Premier V. Chernomyrdin in Moscow on 28 February 1996: "On Amendments to the Statute on the Russian Federation Ministry of Railways Ratified by Russian Federation Government Decree No 19 of 6 January 1993"]

[FBIS Translated Text] In compliance with the Federal Law "On the Russian Federation Railroad Troops" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 32, p 3202) and in accordance with the Russian Federation president's edict No. 903 of 7 September 1995 "On the Russian Federation Federal Railroad Troop Service" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1995, No. 37, p 3591), the Russian Federation Government decrees:

That paragraph 2, point 3 of the Statute on the Russian Federation Ministry of Railways ratified by Russian Federation Government decree No. 19 of 6 January 1993 (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 3, p 175) is deemed to have lapsed.

[signed] V. Chernomyrdin, chairman of the Russian Federation Government

[dated] 28 February 1996

Federal Assembly

Russia: Duma Deputies Said Skeptical of Union With Belarus

MK2603111896 Moscow NEZAVISIMAYA GAZETA in Russian 26 Mar 96 p 2

[Report by Ivan Rodin: "Deputies Are Skeptical"]

[FBIS Translated Text] "From my point of view, some illusory association is being created, which Yeltsin needs for campaign purposes," Vladimir Isakov, former [Duma] deputy who is now [legal] expert for the Agrarian group, stated to your NEZAVISIMAYA GAZETA correspondent right after the announcement of Russia-Belarus intensified integration plans. He pointed out that no such integration, nor even an alliance of these countries, can provide the basis for postponing the presidential election in Russia. Mr. Isakov also assumed that accords on such a possible union are most unlikely to make it to the Federal Assembly for ratification and that they will be put by Boris Yeltsin to a special referendum. In the expert's view, he might hold the referendum shortly before 16 June or right after this date.

Those of the State Duma deputies who have not left Moscow yet [for their provinces] could only give their personal opinions. For example, Vice Speaker Aleksandr Shokhin ("Russia Is Our Home" faction) was urging at yesterday's news briefing that a greater use be made of the European Union's experience. He thinks that each state forming a union should have a separate budget and only jointly fund some common programs. Mr. Shokhin feared that the Communists might announce the plans of Russia and Belarus unification as a result of the well-known Duma resolutions passed on their initiative.

Communist Viktor Ilyukhin, chairman of the Duma security committee, thinks that this is the case. He stated to your NEZAVISIMAYA GAZETA correspondent that the CPRF [Communist Party of the Russian Federation] is the only party which delivers on its campaign promises, and the statements by Alyaksandr Lukashenka and Boris Yeltsin on the signing, on 2 April, of treaties of unification is a follow-up to the Duma resolutions. Thus, Mr. Ilyukhin pointed out, the CPRF had taken a powerful step in Gennadiy Zyuganov's election campaign. The deputy voiced his view by saying that the Communists fundamentally support the actions of the executive branch to reestablish a single economic area.

Aleksandr Pochinok, a "Russia's Democratic Choice" deputy, tried to calculate yesterday how much this may cost Russia. In his opinion, if a merger of the financial systems proceeds sensibly, gradually, that is, Russia's losses may be minimal or be even offset by some gains. If, according to him, the gap between Russia's and Belarus' living standards begins to close pretty fast, that may cost Russia at least 20 trillion rubles, which it simply does not have. "We are no good for the role of a West Germany," Aleksandr Pochinok thinks.

"Yabloko" faction's leader Grigoriy Yavlinskiy described the Yeltsin and Lukashenka initiative as "a farce, a mockery, making a fool of the voter."

Russia: Duma Official Says Treaty With Ukraine Cedes Too Much

LD2603151196 Moscow INTERFAX in English 1313 GMT 26 Mar 96

[FBIS Transcribed Text] MOSCOW, March 26 (Interfax) — Deputy Chairman of the Russian State Duma Sergey Baburin called on President Boris Yeltsin to put off his official visit to Ukraine temporarily because the agreement, ready for signature, gives up too much in the Crimea and Sevastopol.

This report may contain copyrighted material. Copying and dissemination

The agreement "is not in line with Russia's national interests, especially on the Crimea and Sevastopol, and does not accord with the spirit of integrationary processes occurring among the republics of the former Soviet Union," Baburin, leader of the Russian All-People's Union (ROS), told a Tuesday press conference.

He also called on the presidents of Kazakhstan and Kyrgyzstan to "support the process of Russian-Belarusian integration" by signing onto the Agreement for Union to be signed by the two governments April 2.

Baburin said his party "welcomes the initiative of the Russian and Belarusian presidents and supports it wholeheartedly."

The March 15 Duma resolutions, which renounced the 1991 accords dissolving the USSR and at the same time declared the March 17, 1991, referendum for preserving the USSR legally binding, Baburin said, pushed the integrationary process between former Soviet republics forward.

Russia: Stroyev: Politicians' Ambitions May Impede CIS Integration

LD2503182296 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] MOSCOW, March 25 (INTERFAX) — Only individual politicians' ambitions may impede integration within the CIS, Federation Council Chairman Yegor Stroyev told Interfax Monday.

At the same time, he declined to name these politicians, saying "the intention to multiply their own political capital at the expense of their people is typical for many CIS states."

"Now that the eventual integration within the CIS is taking shape, political ambitions may seriously affect it," he said.

Stroyev said his visit to Belarus had proved that "not only Belarusian President Alyaksandr Lukashenka, but also the overwhelming majority of Belarusian parliamentarians support as close an integration with Russia as possible." Those who support an interstate union with Russia also prevail among the ordinary citizens of Belarus, he said.

Russia: Federation Council Examines Food Supply

MM2503152996 Moscow TRUD in Russian 21 Mar 96 p 1

[Unattributed report: "We Are Not Sowing or Plowing. Russian Food Security Under Threat"]

[FBIS Translated Text] The Federation Council has examined the question of the country's food security. The facts show that this has become a question of vital importance to Russia and that past and in particular new mistakes in the implementation of the agrarian reform may cost us and our descendants very dear.

Having been deprived of support, during the past five years alone **rural areas have reduced production of grain by 46 percent, sugar beet by 41 percent, meat and meat products by 40 percent, and milk and dairy products by almost 30 percent. The number of cattle in all types of farm (including private farms) fell by almost a third and the number of pigs by more than 41 percent**. According to experts, this fall in production in our rural areas is without precedent even during the upheaval of the wartime years. As a result, Russia, which was in seventh place in the world with regard to the per capita consumption of basic food products, has now plummeted to 40th place.

On the other hand, imports already account for more than a third of foodstuffs in our stores. In recent years, there has been a 450 percent increase in the purchase of foreign meat and a more than 200 percent increase in the purchase of foreign milk and dairy products. So what if the customs do not always give it the "green light"? Last year they managed to prevent the import of into the country of more than 20 tonnes of foreign comestibles that presented a health hazard to citizens. But this is a drop in the ocean. There are still not veterinary, quarantine, and public health centers at all the border posts, and the borders themselves (first and foremost with CIS countries) are as transparent as freshly cleaned glass. In Moscow 80 percent of comestibles are imported, while the figure is 70 percent in St. Petersburg.... Meantime, global experience shows that: **When the proportion of foods sold represented by imports exceeds the critical level of 30-36 percent, the state's food security is lost.**

While we all go over to imported chicken legs, Russia's broiler farms close down and the state does not buy grain from its peasants. The country's grain fields are becoming reduced in size as it is unprofitable for the Russian farmer to produce that which society will not require. The peasant is in effect cut off from the market which is in the hands of the dealers. Up to 80 percent of the revenue from the trade turnover of food products goes into their pockets. According to the experts, it will take a minimum of 10 years to restore the fertility of Russia's grain fields and build up the quantity of livestock and the material base which has already been lost in rural areas during the years of the reforms.

In EEC [as published] countries, the state regulates prices, keeps exports and imports and the level of profit of private farms under strict control. The rural areas are

This report may contain copyrighted material. Copying and dissemination

provided with services and roads are built there using budget money. Germany's agrarian law does not permit peasant farms to be split up. Realizing that agriculture is objectively speaking unprofitable, the West's statesmen regard support for it as an obligatory element of their policy. Budget subsidies for farmers account there for up to 50 percent of the total income for their produce. The sheer concerted manner in which senior U.S. officials supported the retail sale in Russia of chicken legs produced by overseas poultry farmers, speaks volumes.

But the Russian state is leaving its commodity producers to the mercy of fate. If proper state support is not given back to the rural areas, the food producer, his fields, farm, and home are doomed. And this enormous country with a population of 150 million will be going cap in hand to its powerful Western neighbors for every "chicken leg" and "crust of bread."

Russia: State TV Chiefs Answer Deputies' Coverage Complaints

MM2503131396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Mar 96 p 2

[Report by Olga Gerasimenko and Vasiliy Ustyuzhanin: "After USSR's 'Restoration' Duma Has Set About the Press"]

[FBIS Translated Text] It was a month ago that the present Duma first asked why its work was being covered unobjectively. At the time they "dragged out" onto the platform Oleg Finko (Liberal Democratic Party of Russia), the new chairman of the committee for information policy.

The new wave of dissatisfaction in the Duma came after the scandalous "Belovezhskaya Forest" decree of 15 March. The deputies even calculated that ORT presenter Arina Sharapova on that evening commented "carpingly" for 25 minutes on their decision. Rumors found their way into the Duma last weekend suggesting that Speaker Gennadiy Seleznev had been knocking to no avail on the doors of the first and second television channels. Zyuganov also complained to us in the corridors about the press' cold attitude.

Officially the question of the allegedly unobjective covering of parliament's work surfaced Wednesday 20 March when State Duma chairman (also secretary of the CPRF [Communist Party of the Russian Federation] Central Committee for work with the press) at a meeting with envoys called the mass media the mass misinformation media. The deputies at the time decided to invite the leaders of the two largest television companies — VGTRK [All-Russia State Television and Radio Broadcasting Company] and ORT [Russian Public Television] — for a "government hour."

Sergey Blagovolin and Eduard Sagalayev received the news of their invitation to the State Duma with chagrin. The day before information was leaked that Blagovolin would not be "carpeted" because he had suddenly lost his voice. But nonetheless both television company leaders arrived on time. Sagalayev before mounting the rostrum rushed to the Duma buffet for a cup of coffee. He was obviously nervous and to our question about how he felt he replied: "The way you feel before meeting your sweetheart."

But the "sweethearts" (that is the Duma deputies) were initially in an aggressive mood. Blagovolin reported that over the past two months ORT had shown 148 items about the Duma's work and over 60 direct speeches by deputies. And he was specific: Seleznev had appeared on the screen 13 times and Zyuganov, Belyayev, and Yavlinskiy seven times each, and Zhirinovskiy six times.

Sagalayev also came out with figures from the platform. Over the past months VGTRK has shown 70 items about the government's activity and 50 about the life of the CPRF and its leader, Zyuganov. And two weeks ago Gennadiy Seleznev starred in a live broadcast lasting almost an hour.

These arguments softened the deputies' mood. Especially as Sagalayev finished his speech with a request for assistance: It turns out that Russian television programs including "Vesti" broadcasts are often covered nearly 100 percent by local television channels.

Nonetheless the spirit of the old era sometimes hung in the room. Deputy Yaroshenko accused television of connivance with the CIA and the IMF. One deputy directly asked the guests whether they were not tormented by the thought that they would have to be answerable to the people for what they had done. To this onslaught the pair replied that they sleep peacefully and do not believe they deserve to be hanged from lamp posts.

Obviously curbing their anger, they tried not to give in to the provocation. The calm tone of the polemic did not suit Journalists Union member Deputy Borovoy, who accused the guests of "giving in to their audience." For which the speaker immediately deprived him of the right to speak. Blagovolin and Sagalayev themselves peaceably stated that this was a normal talk between normal people, which caused the auditorium to burst into applause.

This report may contain copyrighted material. Copying and dissemination

Regional Affairs

Russia: Tatar Leader Says Independence Depends on Yeltsin Win

LD2503181196 Moscow NTV in Russian 1800 GMT 24 Mar 96

[From the "Itogi" program]

[FBIS Translated Text] You will recall that President Mintimir Shaymiyev of Tatarstan was one of the authors of the Chechnya settlement plan. The presidential elections which took place in the Republic today were essentially a formality, since Shaymiyev was the sole candidate for the post of head of Tatarstan, and few doubted that the majority of the voters would support his candidacy. But how will the Republic's citizens vote in June, when they will be voting in the elections for the president of Russia? Irina Preobrazhenskaya reports from Kazan.

[Begin recording] [Preobrazhenskaya] [Video shows Tatarstan election campaign, Shaymiyev casting his vote] Long before the elections, nobody in Tatarstan had any doubt that the incumbent president, Mintimir Shaymiyev, would get the necessary number of votes. During his five-year presidential term, his authority has increased so much that none of his opposition rivals could even gather the number of signatures necessary to register with the Central Electoral Commission. According to public opinion polls, in February 65 percent of the electorate intended to vote for Shaymiyev. That is enough to get in for a second term. However, it is clearly too little for Tatarstan's president to be able to cope properly with any result of the Russian presidential elections which might be unfavorable for the Republic and for him personally.

Nevertheless, people in Tatarstan understand full well that the results of the upcoming presidential elections in Russia will determine to a great degree what laws Moscow will be guided by in its dealings with Shaymiyev.

Mintimir Shaymiyev considers that only Boris Yeltsin can be the sole guarantor of the Federation Treaty, and consequently of the national independence of Tatarstan.

[Shaymiyev] We have signed a treaty with Yeltsin. For the first time in Russian history, Tatarstan has established mutual relations with Russia, and this is the start of a new structure of statehood for the Russian Federation and Tatarstan. It is Yeltsin who is the guarantor of this. Two years have passed now, Boris Nikolayevich and I have meetings to sum up the results, and we are both abiding by the treaty.

He is the guarantor of this treaty. Why should we fail to take account of this most important factor? Above all, I also am taking as my point of departure the interests of Tatarstan.

[Preobrazhenskaya] During his recent tours of the Republic, Mintimir Shaymiyev announced openly that he would be voting for Yeltsin.

[Shaymiyev] I am in favor of Yeltsin as president of Russia for a second term — without the war in Chechnya.

[Preobrazhenskaya] It is not yet clear what the president of Tatarstan will do if the situation in Chechnya is not settled before the elections. However, many observers believe that for the sake of the Republic's interests, Shaymiyev may opt for another compromise with Moscow. In that case, his position in the elections in Tatarstan will be decisive, as was in fact the case in the recent State Duma elections. It was with his support that Our Home is Russia got 28 percent of the vote, a proportion unprecedented in Russia, leaving the communists far behind. [end recording]

Russia: Tatar Leader Continues Socioeconomic Reforms

LD2503182096 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] KAZAN, March 25 (INTERFAX-EURASIA) — Mintimer Shaymiyev, reelected as president of Tatarstan, an internal Republic within Russia, said Monday he planned to continue social and economic reforms, above all focussing on the social protection of the population.

Shaymiyev won over 95 percent of votes in the one-candidate elections last Sunday.

A Communist victory at the Russian presidential elections next June would not be desirable, though he would not dramatize the situation, he told Interfax in an exclusive interview Monday.

"Whoever comes to power in June, we will not turn aside from the path we have chosen," he said. "Moreover, Moscow will find it tough to do anything without us - Tatarstan and other republics, territories and regions."

Shaymiyev said he supported Yeltsin's reelection as Russian president. At the same time, he said, "I back Yeltsin, but without the Chechnya war."

Shaymiyev laid out again his Chechen peace plan, calling for the direct involvement of Chechen separatist leader Dzhokhar Dudayev, federal authorities and international observers in the peace talks. He criticized the idea of the internal Chechen dialogue, saying it was

accompanied by military operations and the death of civilians.

Chechnya will be Yeltsin's main election problem, Shaymiyev said. "If this problem is not settled somehow by June, Yeltsin will be unlikely to enjoy mass support at the elections," he said.

Russia: Far East Military District Launches 'Large-Scale' Exercise

MK2603095296 Moscow SEGODNYA in Russian 23 Mar 96 p 2

[Report by Oleg Kryuchek from Khabarovsk: "Routine Military Exercise Has Started in the Far East. Governors of Territories in the Border Area Worried About Poor Protection of the Russian-Chinese Border"]

[FBIS Translated Text] A large-scale command and staff exercise with the participation of units of the Far Eastern Military District, an air defense army, and railway troops has started on the territory of the Russian Far East. The exercise is being carried out under the general direction of Colonel General Viktor Chechevatov, commander of the Far Eastern Military District. Your SEGODNYA correspondent has been told at the district headquarters that the main purpose of the military exercise is to practice coordination between units of different arms of service and to improve the control of troops. The exercise will last for several days and will end with an analysis at the district headquarters.

It is noteworthy that this is the second large-scale exercise in the past 12 months, and just the day before it started range practice using operational-tactical missiles was held. In Khabarovsk, where the district headquarters is located, however, the rise in military activity has been attributed entirely to the program of military training approved at the Russian Defense Ministry. When asked if the exercise was linked with the PRC-Taiwan confrontation, members of the Staff of the Far Eastern Military District answered categorically in the negative, emphasizing at the same time that the headquarters is watching the situation with Taiwan closely. The military also refrained from any comments on the new defense doctrine of the Russian Armed Forces in the Far East and explained that such comments fall within the competence of the General Staff and the minister of defense personally.

This notwithstanding, according to available information, the command of the Far Eastern Military District will resume consideration of the project to create a large military formation in the Far East, expected to include the Transbaykal and Far Eastern military districts, all border districts in the region, and the Pacific Fleet, with its headquarters located in Komsomolsk-na-Amure. Unofficially, staff officers are expressing concern about the fact that the Russian-Chinese border is virtually unprotected. Today, in accordance with international agreements, all Russian troops have been removed to a considerable distance from the border. Fortified areas along the border have been destroyed and missile launch positions have been moved 300 km into Russian territory. In fact, 4,000 km of the eastern section of the Russian-Chinese border are guarded only by border detachments.

This situation is worrying heads of administration of the territories in the border area. They believe that the eastern axis — strategically important for Russia — should be better and more reliably protected, which requires that Far Eastern military formations be given priority funding.

Russia: Northern Affairs Official Visits Kamchatka

MM2603101596 Moscow KRASNAYA ZVEZDA in Russian 22 Mar 96 p 1

[Report by Sergey Voyeykov: "'Chukotka Boss' Has Viewed Far North"]

[FBIS Translated Text] Kamchatka — Vladimir Kuramin, chairman of the Russian Government state committee for the affairs of the Northern territories, has visited Kamchatka with a view to familiarizing himself with the state of affairs. He said that while the problems and difficulties throughout the North are similar the Kamchatka population and administration has slightly more optimism than in other regions. And in the future Vladimir Kuramin sees the peninsula, which struck him with its natural beauty, as a Klondike of foreign tourism.

One of the main problems discussed during the visit was the problem of supplying the Northern territories with fuel. The budget has earmarked 3 trillion rubles [R] for dispatch of fuel to the North in 1996, Vladimir Kuramin announced. About R100 billion is Kamchatka money. But even if they arrive at the peninsula on time they will still not be enough, alas. Kamchatka Oblast has been allocated R6.14 billion for subsidies for those who leave for the mainland. Unfortunately virtually every tenth Northerner is now voicing the desire to leave Kamchatka.

This report may contain copyrighted material. Copying and dissemination

Economic Issues

Russia: Yeltsin Edict Aims Against Bank, Investment Fraud

MK2603062796 Moscow KOMMERSANT-DAILY in Russian 23 Mar 96 p 1

[Report by Viktor Ivanov: "In the Land of Victorious Depositors and Shareholders"]

[FBIS Translated Text] The president has signed an edict: "On Approving a Comprehensive Program of Measures To Ensure the Rights of Depositors and Shareholders." Bankers and financiers beware: This in effect is a drive in support of the interests of broad sections of the population, and the authorities will not stop short of administrative or judicial enforcement.

When, in late February, Boris Yeltsin, who at the time was talking almost exclusively about the need to repay wage arrears, promised a rally in Chelyabinsk also to sign an edict to protect depositors affected by the bankruptcy of commercial banks, it became clear that a new slogan had emerged in the election campaign: "The state must return money to depositors." And now the promised edict has been signed. It concerns not only commercial bank depositors, but all depositors in general — and even all shareholders. Therefore the authorities' moves in the short term will include not only the issue of a special debt loan to benefit defrauded bank clients, but also bank deposit insurance schemes; also "streamlining the existing collective investment schemes and creating new such schemes; and terminating the activity of organizations which have attracted or are attracting monetary resources from individuals or legal entities on the financial or stock market without corresponding licenses, by liquidating them or reorganizing them." There is nothing remarkable here, however. For instance, the idea of transforming "financial pyramids" into unit investment funds emerged a long time ago, as did the idea of insuring bank deposits through a special fund. Now the authorities will simply seek to implement these ideas more decisively. While it will not be very difficult to ensure bank deposits, the authorities will hardly succeed in quickly creating a large number of unit investment funds.

The most interesting part lies elsewhere. The president's edict envisions "the implementation of a system of measures to enforce the execution of financial obligations to depositors and shareholders in conformity with court and arbitration decisions," as well as "endowing federal executive agencies with powers to control entrepreneurial activity on the financial and stock market." It is becoming clear that the president and the government do not as yet understand themselves what needs to be done to help depositors and shareholders (it is no accident that the government has been given two months to work out specific economic measures), but even so, are already to push for administrative and even juridical enforcement.

This recalls the wage arrears situation. Before February everything was confined to the elaboration of complex schemes with the clearing of mutual corporate and state budget debts, but then an edict appeared on the administrative and judicial responsibility of enterprise directors, and back wages indeed began to be repaid. Presumably the authorities, who have come to believe in the efficacy of enforcement, now want to repeat their tactic — this time on the financial market.

So, commercial banks and financial companies have to be extra careful. They do not usually disagree with the need to guarantee depositors' and shareholders' rights: What is involved now, however, is not routine state regulation, but an emergency drive. Oversight agencies (for example, the Federal Commission on Securities and the Stock Market) are clearly trying to demonstrate their zest and crack down on financial entrepreneurs. True, this is often the case when instead of protecting the rights of property owners (that is to say, depositors and shareholders) the authorities in effect engage in protecting the interests of so-called common people.

Russia: Yeltsin Appoints Vasilyev To Head Securities Commission

MK2603062496 Moscow SEGODNYA in Russian 23 Mar 96 p 1

[Report by Andrey Grigoryev: "Dmitriy Vasilyev Has Become Chairman of the Federal Securities Commission. The Role of the Central Bank on the State Bonds Market Will Hardly Be Revised"]

[FBIS Translated Text] Yesterday, Boris Yeltsin signed an edict appointing Dmitriy Vasilyev chairman of the Federal Commission on Securities and the Shares Market [FKTsB]. Thus, Mr. Vasilyev — who has long been in charge of all current work of the FKTsB in the rank of director of its executive board — has been given a share of the powers of his former patron, Anatoliy Chubays, although his status has been lowered: In accordance with the Law on the Securities Market passed by the State Duma, the FKTsB chairman is a minister.

Mr. Vasilyev's candidacy was not an obvious choice for those deciding on the FKTsB head. Therefore, yesterday's edict was taken by the remnants of the Chubays team in the highest echelons of power as a serious victory. It cannot be ruled out that a weighty argument in support of Mr. Vasilyev was the FKTsB's activity on the transformation of bankrupt financial

companies into share funds and the compensation of losses to their depositors.

In the edict signed yesterday the new minister was already given his first assignment: to work out within one month's time a concept for the development of the securities market and its infrastructure. In this connection, we can recall the recent conflict between the FKTsB and the Central Bank. A report on the situation on the securities market, prepared under Mr. Vasilyev's guidance, contained a number of disputable conclusions on the role of the Central Bank and the significance of the state bonds market which it supervises.

Mr. Vasilyev's new status will probably permit him to stand for his views in a more resolute way. His Central Bank opponent, Andrey Kozlov, however, has also strengthened his position: The State Duma has appointed him deputy chairman (quite remarkably, also yesterday).

More important is the fact that the status and significance of the Central Bank of the Russian Federation is immeasurably higher than that of the FKTsB, but the person most interested in the role of the state bonds market is not Andrey Kozlov, but rather Boris Yeltsin, who appointed Mr. Vasilyev. For the president, keeping the Finance Ministry solvent is a task an order of magnitude more important than rendering populist support to people cheated by "Russkiy Dom Selenga" [one of the major financial structures that cheated its depositors].

Russia: Central Bank Official Views $100 Bills, Union With Belarus

LD2503200696 Moscow NTV in Russian 1635 GMT 25 Mar 96

[Studio interview with Aleksandr Khandruyev, first deputy chairman of the Central Bank of Russia, by Pavel Lobkov — live; from the "Hero of the Day" program]

[FBIS Summary] In a 25-minute interview, Khandruyev discusses the introduction in Russia today of the new $100 U.S. bills and the prospects for a Russian-Belarusian monetary union.

Khandruyev says: "It is no accident that we carried out in advance a system of measures aimed at creating among the population, among those who have dollars, every ground for thinking that nothing out-of-the-ordinary is happening. In the first place, the old dollars are the same greens as the new ones. They remain a legal means of payment indefinitely. They are accepted in all shops on the territory of the United States and all currency exchange bureaus throughout the world, including Russia. There is no need to go to a bank to exchange these dollars. They remain a legitimate means of payment for an unlimited time."

Khandruyev continues: "In Russia rubles were exchanged and there were certain elements of force in this — especially concerning the 50... [pauses] 100 dollar... [pauses] ruble bills under the government of Sergey Pavlov — what is at issue here is not exchanging bills at all. What is at issue is introducing into circulation new monetary bills, new bank notes".

Asked if the introduction of the new bills will have any affect on Russia's economy, Khandruyev replies: "You know, that is more of a sociopsychological question, I would say. Therefore, I earnestly appeal to the citizens of Russia: Do not hurry and rush off to exchange bureaus, because if there is a hullabaloo, only that may lead to you losing a bit on your dollar savings because you will then have to pay higher rates of commission."

Asked if Russia and Belarus really could have a common budget at this stage, Khandruyev answers: "The Bank of Russia takes a firm position not to intervene in politics, and we would like to clearly separate the political aspects of the union of Russia and Belarus from the economic aspects. Yes, the idea of a ruble zone really was discussed at a certain stage in 1993, but you cannot turn back the clock. It would now be premature to raise this question on creating a single emission center. What is needed now both in Russia and Belarus is to ensure that the budget is strictly implemented, improve the collection of taxes, and put our finances in order. When our finances are in order we will be able to go on to the next, the more advanced stage of cooperation." Khandruyev continues: "I think that the way to monetary union lies in tightening budgetary discipline. It is not necessary to set up at the early stages a single emission center." He goes on to say that world experience should be taken into account; it shows how carefully countries approach steps in integration. He then says that everything that is in the competence of the Central Bank of Russia was discussed with it and agreed with it.

Speaking about the recent decision to increase the quota of Russian state treasury bills sold to nonresidents, Khandruyev says a "rather restrained" and "very, very conservative" plan has been adopted. He adds that the decision is not connected to the political situation. He then says the yield is 20-25 percent for nonresidents, which is lower than that for residents. Asked if the collapse of state treasury bills' market is possible, Khandruyev replies: "I absolutely rule out any cataclysms in the state treasury bill market." He then adds: "The state treasury bill market is a line of defense that we will not allow to be destroyed under any circumstance."

Russia: Calculation of Customs Duties, Taxes Explained

964E0772A Moscow EKONOMIKA I ZHIZN in Russian Feb 96 No 7, p 40

[Article by A. Nikonov, AKDI-International (International Economics, Legal Consultation, and Business Information Agency) expert, EKONOMIKA I ZHIZN: "The Currency Aspect of Customs Payments"]

[FBIS Translated Text] Many participants in foreign economic activity encounter difficulties in converting customs duties and taxes expressed in foreign-currency terms to rubles or some other currency. In drawing up customs documents, the greatest practical difficulties are related to commodities whose value is expressed in clearing or closed currencies. This article may help alleviate such problems.

Customs duties and taxes are calculated in the currency in which the customs value of a commodity has been declared. The customs payment may be made either in Russian Federation currency or in foreign currency (chiefly freely convertible currencies), as the payer desires. This does not mean, however, that two or several kinds of currencies may be used to make one type of customs payment (import duty, for example). Exceptions to this are customs collections for commodities which, as a rule, are paid partially in rubles and partially in freely convertible currency. But if a situation arises where, for example, a customs duty amounting to $20,000 must be paid and only $15,000 is in the currency account, payment of the amount "short" in rubles or some other currency is permitted only with the consent of the customs organ.

With respect to the conversion to rubles or another foreign currency of customs duties and taxes expressed in a foreign currency, newspapers and other periodicals may indicate a variety of opinions as to what exchange rate should be used for the conversion—that of the Moscow Interbank Currency Exchange (MMVB), or of the Central Bank of Russia; the rate effective the date of payment, or that effective the date the commodities were presented to customs authorities, etc. None of these variants is correct.

In fact, for purposes of payment, the conversion must be effected based on the rate of the Bank of Russia effective the date the freight customs declaration [GTD] is received for registration. It should be noted in particular that the Central Bank rate is presently established based on the results of currency trading on the MMVB on Tuesdays and Thursdays, and goes into effect the next day (Wednesday and Friday, respectively). The results of trading on the MMVB on Mondays, Wednesdays, and Fridays at the official ruble exchange rate are not reflected here (but are reflected in the currency buy-sell exchange rates established at commercial banks). Some participants in foreign economic activity take advantage of this circumstance during periods of increase in the dollar exchange rate to optimize their customs duty payments. Consider the following example (figures are hypothetical).

Let us assume initial data as follows: amount of customs payments as of the date of receipt of freight customs declaration (Tuesday)—$100,000; results of trading at the MMVB as of that day—R4,600/dollar; commercial-bank exchange rate for purchasing currency—R4,600/dollar; official exchange rate of the Central Bank as of that day (according to results of currency trading the previous Thursday)—R4,500/dollar. The relevant calculations would then be as follows. To obtain the amount of customs payment in rubles, we multiply $100,000 by R4,500/dollar and get R450 million. To obtain the equivalent amount of currency at the commercial-bank exchange rate in rubles/dollar, we divide R450 million by R4,600/dollar and get $97,800. To calculate real savings, we subtract $97,800 from $100,000 and get $2,300.

If, with respect to the declared commodities, the customs payment rates applied are established in ECU per commodity unit, the rate then used for the conversion is the ECU rate established by the Russian Federation Central Bank as of the date the freight customs declaration is received for customs registration. In this regard, if the payment of customs duty is not expected to be made in rubles, but rather in a foreign currency (U.S. dollars, for example), it is then necessary to effect essentially a double conversion: first—proceeding from the ECU-ruble ratio, then—from the ruble-dollar ratio. Direct use of the ECU-dollar exchange rate established abroad (including the so-called "REUTERS" exchange rate) is not legitimate.

If the contract currency does not coincide with the foreign currency of payment, the amount of customs payment is then calculated by multiplying the totals calculated in the contract currency by the ratio of contract-currency exchange rate to payment- currency exchange rate.

If customs payments are effected in Russian Federation currency, then the total customs payment calculated in the contract currency is multiplied by the exchange rate of the contract currency.

Customs payments may be paid through a noncash clearing operation or by cash payment to the cashier's office of the customs organ with a cash/credit order, but

only within the limits established by Russian Federation legislation (currently R2 million).

Unpaid customs duty, interest on customs payments for which a deferral or installment arrangement was granted, and fines for overdue customs payments are collected:

—in the event a deferral or installment arrangement for effecting the customs payment has not been granted, customs payments collected in accordance with the freight customs declaration are made in the currency in which the payment document was drawn up by the payer for transfer of the customs payment;

—when a deferral or installment arrangement for the payment of customs duty has been granted under guarantee of a bank or other credit institution—in the currency of the guarantee;

—interest for deferrals or installment arrangements granted for payment of customs duty are collected in the currency that was declared by the payer when the deferral or installment arrangement was granted;

—fines are collected in the currency of the arrears.

In practice, the greatest difficulties encountered are related to the customs registration of commodities for which the value is expressed in clearing or closed currencies. When a commodity is imported in accordance with a clearing contract, for purposes of converting the customs value to rubles, the currency indicated in the contract is of fundamental significance. This may not be the national currency of the country from which the commodity is purchased. For example, commodities from China may be delivered to Russia in accordance with a contract where the clearing currency is Swiss francs, calculated in clearing with the PRC. It was established in April 1994 that in such event, the conversion would be made based on the clearing-currency exchange rate established by the Central Bank of Russia as of the date the freight customs declaration is received for customs registration. But if closed currencies are used as the clearing currency, their quoted exchange rates, established monthly by the Central Bank, are applied. For example, for a contract concluded in Pakistani rupees for special-account settlements with Pakistan, conversion of the customs value of the commodities to rubles is effected based on the quoted exchange rate of the Pakistani rupee established by the Central Bank of Russia as of the date the freight customs declaration is received for customs registration.

This procedure was established by Russian State Customs Committee Instructions No. 01-12/341, dated 27 April 1994. In August of that year this document was partially suspended. Afterwards, unfortunately, declarants began making numerous errors in the process of customs registration. The fact of the matter is that Russian Federation State Customs Committee Instructions No. 01-12/914, issued 23 August 1994, afforded the right for purposes of customs registration not to use the exchange rates (official or quoted) of the Central Bank of Russia, but rather the exchange rates of clearing currencies used by authorized (i.e., commercial) banks. But this procedure began to be applied not to all foreign trade transactions, but only to transactions concluded through the execution of intergovernment agreements envisaging the conduct of settlements in currencies not quoted by the Bank of Russia.

However, participants in foreign economic activity and declarants began to actively use the exchange rates of commercial banks. Last year and early this year, an extremely complicated situation developed in Russian-Indian foreign trade relations, with respect to precisely those contracts that envisaged calculations in U.S. clearing dollars for settlements with India and calculations in Indian rupees. Attempts to use the exchange rates of commercial banks were declared illegitimate by customs organs. In drawing up commodity customs registrations, it is necessary to use the exchange rates of the Indian rupee to the ruble (currency code in GTD 245) and those of the U.S. clearing dollar for settlements with India (currency code in GTD 295), established by the Russian Federation Central Bank.

For more detailed information on the procedure for collecting customs payments on imported and exported commodities, see Bulletin No. 1, "Foreign Capital in Russia—Taxes, Accounting, Currency and Customs Regulation." This publication contains expert opinion on ways to pay customs duty and taxes for other persons, on liability for late receipt of funds in the customs organ account, and on recommendations for calculating value-added tax and customs registration fees and duties using combined rates.

Russia: Import Tariff Changes Predicted

964E0770A Moscow EKSPERT in Russian
19 Feb 96 No 7, pp 38-41

[Article by Tatyana Mukhina: "Tax Survey: What Will Happen to Import Duties"]

[FBIS Translated Text] [begin box] The Federal Assembly is suggesting that the president change the list of imported goods with excise taxes and also the procedure for establishing the excise rates. The State Duma on 14 February adopted a finished version of the law: "On Excise Taxes" which was previously rejected by the Federation Council. According to the new redaction of

This report may contain copyrighted material. Copying and dissemination

the [illegible], which will not go into force until after it is considered by the president, cut diamonds and low-alcohol carbonated beverages will be excluded from the list of goods subject to excise tax when shipped into Russia. The rest of the list of goods subject to excise tax has not changed—as before, it will include tobacco, alcohol and jewelry items, gasoline, and passenger vehicles. There is another innovation affecting the mechanism for changing excise tax rates. When the law takes effect the excise tax rates will be approved by federal laws and not by government decrees, as was formerly the case. Let us note also that the law has not changed the excise tax rates in effect today. ("Own Information" report) [end box]

The spring changes in import duties, which have become traditional, will probably not pass us by this year. The reasons for this are fairly simple. As we know, at the end of last year there was a reduction of import duties on a number of goods—note that this was not envisioned by the 1996 budget. Members of parliament are not likely to rectify the budget by reducing its revenue side and therefore the government will have to look for additional resources to execute the law on the budget. This is what the chairman of the Russian Federation State Customs Committee Anatoliy Kruglov told a correspondent from the journal EKSPERT in this regard. (Note that it is the State Customs Committee that will be responsible for execution of the budget with respect to the receipt of customs duties.)

"As concerns export duties, the largest indicator in the budget will be based on them. I will honestly admit that I find it difficult to say that we will fulfill the plan completely. The budget was formed in the fall and export duties on petroleum products were abolished at the end of the year; it is anticipated that this year export duties on oil and gas will be cut in half, and in addition we must not forget that this year we (Russia—EKSPERT) made a commitment to abolish all export duties in 1997. It is no secret that the main source of budget revenues from export duties were for oil and petroleum products, and therefore I think that the government and the State Duma will be making adjustments to the budget assignment for the State Customs Committee. I think the plan we were given for export duties was not fully coordinated with our capabilities. As concerns imports, we have no doubts about the figure we were given. While up to this point complete collection of import duties was impeded by the granting of all kinds of foreign trade privileges by the government and the president, now these privileges have been abolished, and therefore I hope that we will fulfill the plan with respect to import customs duties.

It is quite probable that the problem of undercollection of export duties will be resolved by increasing import duties. The MFER [Ministry of Foreign Economic Relations] told an EKSPERT correspondent that there would indeed be an increase in import duties but that it did not set the goal of compensating for budget losses from the reduction of export duties. According to a report (given in an INTERFAX interview) from the deputy chief of the Department for Regulation of Foreign Economic Activity of the MFER, Aleksandr Daniltsev, "...the increase in import duties will be balanced and will have only a slight effect on various commodity groups. The average weighted import tariff, which today amounts to little more than 14 percent, will increase insignificantly. Only the figure on the other side of the decimal point will increase."

It is still too early to speak of the specific goods on which import duties will be increased, but some things are already known almost as a probability. The existing rates on imported alcohol, tobacco, carpet items, cash registers, and lighting equipment will probably be left unchanged—measures of nontariff regulation will be applied to them, namely quotas. No decision has been made to impose quotas on the imported alcoholic beverages, but for the other listed goods they are in the stage of development and will soon be adopted. As an EKSPERT correspondent was told in the MFER, import customs duties will not be revised for goods on which quotas are to be imposed.

But importers of canned fish and meat and delicatessen items and also washing machines will have to prepare for higher duties. A revision of import duties on medicines is also expected. In the words of the Russian Federation minister of public health, Aleksandr Tsaregorodtsev, duties are to be set in the range of from 0 to 30 percent (the duty on all medicines now shipped into Russia, with the exception of insulin, which is duty-free, is 10 percent), and a 30 percent duty is being proposed for those medications and pharmaceuticals produced in Russia itself.

Let us note that the law "On Medications," now under consideration in the State Duma, envisions the introduction of import duties on medications right up to 50 percent (true, the law "On the Customs Tariff" stipulates that a change in the rates of import duties is within the domain of the government and not the parliament). Nonetheless, the fact that duties on medications will be increased can be considered a decided issue.

How the import duties will be increased we will learn in the near future. For now let us say that by a decision

This report may contain copyrighted material. Copying and dissemination

of the government, import duties on chicken parts will be increased by five percent.

Table 1. Tax System Changes Under Discussion

Change: Effective 20 October 1995, export duties on ferrous waste and scrap and remelted scrap ingots of ferrous metals (TN VED [Foreign Economic Activity Commodity Nomenclature]) have been reduced from 70 to 30 ECU per 1,000 kilograms; effective 1 December 1995, rates have been changed, mainly in the direction of reduction, for export customs duties for wood and items made from it (group 44 in the TN VED); effective 10 December 1995, the export duty on fuel oil (TN VED codes 2700 00 710-2710 00 790) were increased from 6 to 16 ECU per tonne.

Justification: Edict of the President of the Russian Federation No. 1204 of 30 November 1995, "On Immediate Measures for Support of Exporters," Decree of the Government of the Russian Federation No. 1270 of 26 December 1995, "On a Partial Change in Rates of Export Customs Duties."

Comment: [blank line]

Change: The rate of the excise tax for slightly alcoholic carbonated beverages with up to 9 percent ethyl alcohol by volume has been increased from 30 percent to 45 percent

Justification: Decree of the Government of the Russian Federation No. 1185 of 4 December 1995, "On Excise Taxes on Low-Alcohol Carbonated Beverages."

Comment: [blank line]

Change: Effective 1 January 1996 a seasonal import duty has been established for fresh apples (TN VED code 0808 10). During the period from 1 January through 31 June apples will be imported into Russia duty-free; the rest of the time imported apples, as before, will have import duties at the rates of 0.2 ECU per 1 kg.

Justification: Decree of the Government of the Russian Federation No. 1299 of 31 December 1995, "On a Partial Change in the Rates of Import Customs Duties, Approved by the Decree of the Government of the Russian Federation of 6 May 1995, No. 454, 'On Approval of the Rates of Import Customs Duties'"

Comment: [blank line]

Change: Goods of Ukrainian origin shipped into Russia with excise taxes will be taxed at rates established for excise-taxed goods shipped onto the territory of the Russian Federation

Justification: Edict of the President of the Russian Federation No. 64 of 18 January 1996, "On Collection of Excise Taxes from Excise-Taxed Goods Originating on the Territory of Ukraine, When Shipped Into the Customs Territory of the Russian Federation"

Comment: [blank line]

Change: Effective 1 February 1996 the rates of customs duties on chicken meat shipped into Russia will be increased from 25 percent to 30 percent.

Justification: Decree of the Government of the Russian Federation No. 84 of 31 January 1996, "On a Partial Change in the Rates of Import Customs Duties, Approved by the Decree of the Government of the Russian Federation of 6 May 1995, No. 454, 'On Approval of the Rates of Import Customs Duties'"

Change: The rate of the value added tax on raw sugar, oil seeds, and products from their processing (oil seed meal, cakes)

Justification: Decree of the Government of the Russian Federation No. 1120 of 13 November 1995, "On Foodstuffs to Which a Value Added Tax of 10 Percent Is Applied"

Comment: [blank line]

Change: Privileged customs conditions will apply to enterprises registered on the territory of Kaliningrad Oblast.

Justification: Federal law "On the Special Economic Zone of Kaliningrad Oblast"

Comment: Privileged conditions envision that enterprises of the oblast will not pay customs duties, excise taxes, or VAT on imported goods under the condition that these goods are used on the territory of the oblast. Additionally, these goods are not subject to measures for nontariff regulation of foreign trade activity. The privileges will begin to take effect from the moment of the official publication of the law (for more details see EKSPERT, No. 4 for 1995, p. 20)

Change: For importers shipping into Russia goods necessary for the production of machine-technical products for purposes of subsequent exportation, there will be a delay in the payment of customs duties or complete exemption from payment of customs taxes if the exportation of the aforementioned machine-technical products is accomplished within a specified time period.

Justification: Edict of the president of the Russian Federation No. 1204 of 30 November 1995, "On Immediate Measures for Support of Exporters," Decree of the Government of the Russian Federation No. 53 of 20 January

This report may contain copyrighted material. Copying and dissemination

1996, "On Additional support for Domestic Exports of Goods and Services"

Comment: The exportation of machine-technical products accounted for 2.5 percent of our exports—this is the fourth position after oil and petroleum products, precious metals and stones, and ferrous metals (figures for 1994)

Change: Effective 1 January 1996 paper, printing materials and printing media, carriers of audio and video information, and technological and engineering equipment brought into the customs territory of the Russian Federation by mass media editors, publishing houses, information agencies, television and radio broadcasting companies, and printing enterprises and organizations and used by them to produce mass media products and book products related to education, science, and culture shall be exempted from the payment of import customs duties.

Justification: Federal law of the Russian Federation No. 185-FZ, "On Making Additions to the Law of the Russian Federation 'On the Customs Tariff,'" Federal Law of the Russian Federation No. 191-FZ "On State Support for the Mass Media and Book Publishing in the Russian Federation," Order of the State Customs Committee of the Russian Federation No. 36 of 24 January 1996, "On Measures for Execution of the Federal Laws 'On Making Additions to the Law of the Russian Federation "On the Customs Tariff" and 'On State Support for the Mass Media and Book Publishing of the Russian Federation.'"

Comment: The aforementioned benefits do not apply to books and printed periodicals that are of an advertising or erotic nature or mass media of an advertising or erotic nature (for more detail see EKSPERT, No. 5 for 1996, pp. 60-61)

Table 2. Basic Changes in the Mechanism for Nontariff Regulation of Foreign Trade During November 1995-February 1996

Change: Effective 15 December 1995 ammonium nitrate (TN VED codes 3102 30 900 and 3102 40 900) has been excluded from the list of goods exported in compliance with international obligations of the Russian Federation

Justification: Decree of the Government of the Russian Federation No. 1236 of 15 December 1995, "On a Partial Change in the List of Goods Exported in Compliance With International Obligations of the Russian Federation"

Comment: Up to this point, in compliance with the agreement between Russia and the EU, exports of ammonium nitrate were kept within the quota established by the EU. Now the quantitative restrictions on the shipment of Russian ammonium nitrate to the EU have been removed.

Change: Russian producers, their associations, or the MFER at the request of the producers have the right to initiate the introduction of import quotas or special types of duties on goods shipped into Russia

Justification: MFER Instructions of 21 December 1995, "Procedure for Conducting Investigation Preceding the Introduction of Protective Measures"

Comment: The measure is aimed at protecting domestic producers from a flood of imported goods and dumping (for more detail see EKSPERT No. 4 for 1996, pp. 28-30)

Change: Effective 1 February 1996 unrefined aluminum (TN VED code 7601) will be exported from Russia without presenting licenses from the MFER of Russia under the condition that there is a certificate of registration of the contract issued by the MFER of Russia.

Justification: Decree of the Government of the Russian Federation No. 1002 of 12 October 1995, "On Making Changes and Additions to the Decree of the Government of the Russian Federation No. 758 of 1 July 1994," and Order of the State Customs Committee of the Russian Federation No. 724 of 1 December 1995, "On Regulation of Exports of Unrefined Aluminum"

Comment: [blank line]

Change: Effective 1 January 1996 all goods imported into Russia will be accepted for customs documentation only with the passports for the import transactions.

Justification: Order of the State Customs Committee No. 684 of 14 November 1995, "On Foreign Exchange Control Upon Shipment of Goods to the Customs Territory of the Russian Federation"

Comment: The passport for the transaction is a brief excerpt from the foreign trade contract. It should be filled out in the bank before the actual shipment of the imported goods to Russia, and it is presented at the customs checkpoint along with the freight declaration at the time of the customs formalities clearance (for more detail see EKSPERT, No. 17 for 1995, pp. 26-30)

Change: Effective 1 January 1996 settlements for foreign economic transactions of residents envisioning the shipment of goods onto the customs territory of the Russian Federation or the shipment of goods from the customs territory of the Russian Federation will be carried out only through the accounts of the residents who have concluded transactions with nonresidents. Furthermore, settlements for foreign economic transactions in which

the participants in the foreign economic activity have filled out passports for the transactions will be carried out only through the authorized banks that have signed these passports for transactions.

Justification: Edict of the President of the Russian Federation No. 1162 of 21 November 1995, "On Immediate Measures for Strengthening the System of Foreign Exchange Control in the Russian Federation."

Comment: Payment for the import contract may be made only from the account of the importer on whose behalf the foreign trade contract was concluded and not from the account of a third party, and only from the importer's current account opened in the "importer's bank" (the importer's bank is the bank in which the passport of the transaction was filled out; for more detail see EKSPERT, No. 17 for 1995, pp. 26-30)

Change: Effective 18 January, when shipping into Russia construction materials and equipment necessary for constructing "turnkey" facilities, no passport of the import transaction will be required

Justification: Teletype communication from the State Customs Committee of the Russian Federation of 18 January 1996.

Comment: Such goods are documented at certain customs posts where all "turnkey" contracts for a given region are well known (see EKSPERT Nos. 2 and 5 for 1996)

Change: Effective 1 January 1996 all participants in foreign economic activity, regardless of their organizational-legal forms, will be obliged to present exported goods for expert appraisal of the quantity, quality, and price. The results of the expert appraisal will be reflected in the certificate, without which the customs agencies will not accept the shipped goods for customs documentation.

Justification: Decree of the Government of the Russian Federation No. 1267 of 26 December 1995, "On the Introduction of a Standard System of Mandatory Expert Appraisal of the Quantity, Quality, and Price of Exported Goods"

Comment: The certificates will be issued by "Russian and foreign companies" which will be named by the government commission on questions of expert appraisal of the quantity, quality, and price of exported goods. One of these companies is already known—it is the Swiss firm SGS (for more detail see EKSPERT, Nos. 3 and 5 for 1996)

Change: Effective 1 January 1996 preferential conditions will not apply to shipments to Russia of fruit juices (including grape must) and vegetable juices; waters, including mineral and carbonated, and other nonalcoholic beverages; malt beer; ethyl alcohol with nondenatured strength of less than 80 percent; strong alcoholic beverages, liqueurs, and other alcoholic beverages; artificial and synthetic clothing; footwear, leggings, and similar items; items made of natural, artificial, and reconstructed precious or semiprecious stones; costume jewelry; electric telephone equipment; electronic players, record players, and cassette decks; tape recorders, video tape recorders or video reproduction equipment; transmitting equipment for radiotelephone or radiotelegraph communications, radio or television broadcasting; television sets (including video monitors and video projectors); passenger cars and other motorized means of transportation intended for transporting people (except motor vehicles indicated in commodity category No. 8702), including vans—estate cars and racing cars; watches, parts for watches, and bands and bracelets for watches.

Justification: Decree of the Government of the Russian Federation No. 1301 of 31 December 1995, "On a Partial Change to the Decree of the Government of the Russian Federation of 13 September 1994, No. 1057, 'On Approval of the List of Countries Using the Plan of Preferences of the Russian Federation and the List of Goods to Which Preferential Conditions Do Not Apply When Imported to the Territory of the Russian Federation'"

Comment: This measure is aimed primarily against imports of goods from countries of Southeast Asia (for more detail see EKSPERT, No. 3 for 1996, p. 88)

Change: Customs control on the border between the Russian Federation and the Republic of Kazakhstan and customs documentation of Russian and Kazakhstani goods shipped between the two states have been abolished

Justification: Edict of the President of the Russian Federation No. 1343 of 31 December 1995, "On Abolition of Customs Control on the Border Between the Russian Federation and the Republic of Kazakhstan"

Comment: It is planned to eliminate the control after the Central Asian states (except Turkmenistan) join the customs union

Change: In 1996 (as in 1995) it will be prohibited to ship from Russia cotton fiber that has been purchased abroad

Justification: Decree of the Government of the Russian Federation No. 40 of 16 January 1996, "On Regulation of Shipment of Cotton Fiber Outside the Russian Federation"

Comment: [blank line]

Change: Effective 1 February 1996 the EU may not introduce antidumping sanctions against Russian goods without consulting with the Russians. When initiating antidumping procedures against Russian exports, the EU will have to take Russia's natural particularities into account (access to raw material, inexpensive work force, etc.)

Justification: Temporary agreement between Russia and the EU "On Trade and Related Issues"

Comment: Up to this point the EU has applied antidumping sanctions to Russian exports without notifying the Russians. Moreover, the procedure for antidumping investigation that preceded the introduction of the sanctions was discriminatory against Russia (for more detail see EKSPERT, No. 4 for 1996, pp. 28-30)

Change: Effective 1 June 1996, quotas and licenses will be introduced for ethyl alcohol from edible raw material and alcoholic products shipped into the Russian Federation. Quotas for imports of alcoholic products and ethyl alcohol will be sold at specialized auctions. The winners of the auctions will be issued licenses and certificates, and only for one type of commodity. The issued licenses will not be transferable. A fee will be charged for filling out the certificate and the license. The aforementioned goods will be shipped into Russia only with the certificate of the winner of the auction tenders and a license for shipment of the goods. Effective 1 April 1996 the State Customs Committee will not accept applications from importers for the manufacture of excise and special stamps unless they have a quota or license to import alcoholic products.

Justification: Decree of the Government of the Russian Federation No. 130 of 8 February 1996, "On Quotas on Imports of Ethyl Alcohol Made From Edible Raw Material and Alcoholic Products Shipped Onto the Territory of the Russian Federation"

Comment: This measure is being introduced within the framework of the fight against contraband alcohol, underground manufacture of alcoholic beverages, and importation of inexpensive vodka from the near abroad (for more detail see EKSPERT, No. 5, pp. 12-13)

Change: For vodka and liquor-vodka items stronger than 28 percent shipped into the Russian Federation minimum prices will be introduced, which will include the customs value and the necessary customs payments.

Justification: Decree of the Government of the Russian Federation No. 131 of 8 February 1996, "On Measures for Ensuring Stable Operation of the Liquor-Vodka Branch of Industry," Decree of the Government of the Russian Federation No. 130 of 8 February 1996, "On Quotas on Imports of Ethyl Alcohol Made From Edible Raw Material and Alcoholic Products Shipped Onto the Territory of the Russian Federation"

Comment: The retail price of vodka and liquor-vodka items stronger than 28 percent shipped into Russia may not be below the established minimum prices (for more detail see EKSPERT, No. 5, pp. 12-13).

International Affairs

Ukraine: Udovenko, Lebanese Premier Discuss Bilateral Relations

LD2503215096 Kiev UNIAR in Ukrainian 2000 GMT 25 Mar 96

[FBIS Translated Text] Kiev — A Lebanese Embassy will be opened in the Ukrainian capital soon, Ukrainian Foreign Minister Hennadiy Udovenko said after meeting Lebanese Prime Minister Rafiq al-Hariri. According to Hennadiy Udovenko, there is not a single problem between Ukraine and Lebanon in the area of bilateral relations, while it is planned to establish economic cooperation soon.

Denying rumors that there has not been a Lebanese Embassy in Kiev so far because of differences in attitude toward Ukraine among the Lebanese leadership, a member of the Lebanese delegation and business person noted: "Mutual interest in developing contacts is needed to open an embassy. We now see this interest in the Ukrainian side."

According to the Ukrainian foreign minister, problems of a peace settlement in the Near East were discussed at his meeting with the Lebanese prime minister. Ukraine's position on this issue is explained both by its geographical proximity to that region, and by the peacekeeping traditions which it has acquired, in particular as a member of the United Nations. In addition, Mr. Udovenko stressed, our state has good relations with Israel, which undoubtedly plays an important role in mediatory peacekeeping activity.

In general, Hennadiy Udovenko called the Lebanese delegation's visit to Ukraine "an event of uncommon political importance for both states."

Ukraine: Kiev Says Il-76 Aircraft Did Not Violate Russian Air Space

LD2503233896 Moscow ITAR-TASS World Service in Russian 2233 GMT 25 Mar 96

[From an identified UKRINFORM correspondent]

[FBIS Translated Excerpt] Kiev, 26 Mar — UKRINFORM was told by the Ukrainian Defense Ministry's press service that, contrary to the statement by the Main Staff of the Russian Air Force, the Ukrainian military aircraft Il-76, forced to land by the Russian military in Rostov-on-Don, had not violated Russian air space.

The Main Staff of the Russian Air Force claimed that the aircraft was flying "without notification and without permission by the central controlling service of the civil aviation." In actual fact, the Ukrainian Defense Ministry said, the actions taken to interrupt the flight of the Ukrainian aircraft described by Russia as "a flagrant violation of international agreements and rules of flights within the Commonwealth's air space," are groundless.

The information obtained by UKRINFORM in the press service of the Ukrainian military department shows that the aircraft was leased by the commercial company Krunk. On the date of the forced landing it was returning from the Uzbek capital where it had delivered a commercial cargo. It was following the Tashkent-Baku-Gostomel route and was flying within an agreed civil corridor. After inspection the Russian side was satisfied that the above flight was of peaceful nature and allowed the flight to continue. [passage omitted]

Ukraine: Parliament Approves Sending Peacekeepers to FRY

WS2603101796 Kiev INTELNEWS in English 0234 GMT 26 Mar 96

[By Oksana Hasiuk, INTELNEWS Staff Writer]

[FBIS Transcribed Text] Kiev, March 25 — Parliament approved Monday Ukraine's continued participation in peacekeeping forces in the former Yugoslavia while voting to dispatch 500 troops to help bolster the transitional United Nations Administration in Eastern Slavonia.

Overriding Communist objections, the Rada [parliament] voted by a margin of 209 to 39 in favor of sending the troops.

The resolution was supported by Parliament Foreign Affairs and CIS Ties Committee and the Committee on Defense and National Security.

Eastern Slavonia is a part of Croatia, which, after the Yugoslavia breakup and prior to the conflict between Serbs and Croats, came under the control of Croatian Serbs, according to Deputy Foreign Minister Volodymyr Khandohiy.

As a result of world community efforts and mediation actions, according to Khandohiy, compromise between Serbians and Croatians was achieved "on simultaneous peaceful reintegration of Eastern Slavonia to the constitutional space of the Croatian Republic."

Khandohiy said that so-called basic agreement on Eastern Slavonia was signed between the Croatian government and Serbian minority of Eastern Slavonia in November 1995.

The UN Security Council voted in January to start a military operation, including military, police and civilian components, to enforce the agreement.

According to Khandohiy, the mandate of this action provides disarmament of all military and paramilitary formations, re-establishment of the social-economic structure in Eastern Slavonia and conducting of free local elections.

The UN contingent will consist of 5,000 troops. As of today, Khandohiy said, Belgium and Russia — the biggest contributors — and Slovakia have also confirmed their participation.

"We consider the fact of the invitation of Ukrainian military men to Eastern Slavonia as evidence of the high value to the world community of previous Ukrainian participation in peace-keeping actions," Khandohiy said.

Communists, on the other hand, said Ukrainian servicemen should not take part in operations sponsored by NATO, despite official statements that the Eastern Slavonia mission was under U.N. auspices.

"We are against our soldiers being used as cannon fodder," said Communist deputy Mykhailo Myaskovsky.

Cannon fodder or no, officials say they have no lack of volunteers for Yugoslavian and other peace-keeping operations, given the fact that soldiers participating in them earn about $500 per month and officers $900, versus the $8 to $100 pay range they can expect through home duty.

Ukraine: Shmarov, Grachev To Sign Black Sea Fleet Division Documents

LD2503210496 Moscow ITAR-TASS in English 2038 GMT 25 Mar 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, March 25 (Itar-Tass) — Ukrainian Defence Minister Valeriy Shmarov and his Russian counterpart Pavel Grachev intend to sign finalised documents formalising the division of the disputed Black Sea fleet at their meeting in the Carpathian resort town of Tisovets this week.

Officials in the Ukrainian Defence Ministry told Itar-Tass on Monday that the meeting had been initially planned for March 13, but had been later postponed until March 24 at the Russian side's request. Last Sunday, it was put off for another two days.

After signing by the defence ministers of the two countries, the documents will have to be signed by the Russian and Ukrainian presidents.

Meanwhile, 140 warships and ground facilities of the Black Sea fleet have already been transferred to the Ukrainian Navy. Experts are currently working in Moscow and Sevastopol to transfer the fleet's property in Sevastopol, its main base, and Feodosiya.

Ukraine: Marchuk: Minsk-Moscow Integration Causes No Added Problems

LD2503172596 Moscow INTERFAX in English 1614 GMT 25 Mar 96

[FBIS Transcribed Text] KIEV, March 25 (Interfax - Ukraine) — Russia and Belarus' decision to pursue closer integration so far does not give Ukraine reasons to adjust its foreign policy, Ukrainian Prime Minister Yevhen Marchuk told a press conference in Kiev Monday.

"Our course towards integration and economic cooperation with both Belarus and Russia is well-known," he said.

The Russian-Belarussian integration "is a matter of their leaderships and their peoples," Marchuk said.

Their possible unification "does not create additional problems in the development of economic relations with these two countries, nor will cause political problems for Ukraine," he said.

At the same time, he said "Ukraine should think about possible accents in its foreign policy and their shifts, because we cannot really influence the developments."

National Affairs

Ukraine: Supreme Council Rejects Kuchma Proposal on National Guards

LD2503162796 Moscow ITAR-TASS in English 1558 GMT 25 Mar 96

[By Mikhail Melnik]

[FBIS Transcribed Text] KIEV, March 25 (Itar-Tass) — The Ukrainian parliament rejected the proposal of President Leonid Kuchma that national guards be placed under the command of the head of state as his [as received] is commander-in-chief of the country's forces. At its plenary meeting on Monday, the session decided to work out a new law on national guards and then consider this question.

The national guards were formed in 1991 on the initiative of the Supreme Soviet and were subordinated to it till the autumn of 1995. In October Kuchma issued a decree that the guards be subordinated to the Supreme Commander. The parliament did not agree to such a decision and vetoed the decree, believing that the President has no right to a military formation subordinated to parliament.

On the president's proposal the session tried to discuss the problem of guards more than once, but MPs failed to achieve a consensus. Deputies insist that they and not the head of state should appoint national guards commander. Deputies are also against guards being placed under presidential command.

Ukraine: Marchuk Calls For Investment in Coal Industry

LD2503185096 Kiev UNIAN in Ukrainian 1530 GMT 25 Mar 96

[FBIS Translated Text] Kiev — It will be necessary to invest approximately 3 quadrillion karbovantsi in Ukraine's coal sector following its structural reconstruction aimed at increasing coal production.

Ukrainian Prime Minister Yevhen Marchuk told correspondents today that the sector's capital assets have depreciated by 60-80 percent, and that many mines would have to be closed this year.

Yevhen Marchuk said that 43 longwalls are ready and that a minimum of 20 trillion karobvantsi would have to be invested in their development. In the future, this would give a return of more than 100 trillion karbovantsi.

The Ukrainian prime minister noted that several million tonnes of coal of the sort not produced here would have to be bought from Russia in the near future.

Ukraine: Deputy Group Circulates Appeal Favoring Ban of CPU

LD2503213696 Kiev UNIAR in Ukrainian 2000 GMT 25 Mar 96

[FBIS Translated Text] Kiev — The Statehood deputy group has circulated an appeal among people's deputies, which it has sent to the Ukrainian president, Supreme Council chairman, and prime minister. In particular, the document says the Statehood deputy group is concerned with the situation that has emerged in Ukraine with the activities of the Communist Party of Ukraine [CPU]. The deputy group has drawn the attention of the Ukrainian leadership to the antistate activities of that political organization, "which is striving to revive the USSR rather than working for the good of the Ukrainian people and certainly the Ukrainian state."

The Statehood group has accused the CPU of consistently campaigning for a Ukraine-wide referendum with the aim of reviewing Ukraine's achievements as an independent sovereign state. In particular, according to the Statehood deputy group, signatures are being collected in the Ukrainian Supreme Council to review the Belovezhskaya Pushcha agreements. "According to reports in the Russian press, a congress of officers supporting the creation of a unified army was held in Moscow. Officers serving in the Ukrainian Army took part in this gathering. This is the force on which the CPU relies, openly creating its own armed formation within Ukraine's troops," the appeal says.

"With the aim of stabilizing civic order in the state, we ask for support for the stance of those Ukrainian Supreme Council deputies who are in favor of banning CPU activity, which is not a Ukrainian party but part of the Communist Party of Russia and is working on its orders."

Ukraine: Kharkov Communist Party Secretary Interviewed

WS2603091696 Kharkov VREMYA in Russian 16 Mar 96 p 1

[Interview with Leonid Stryzhko, secretary of the Ukrainian Communist Party Committee in Kharkov Oblast, by A. Kletsov; place and date not given: "The Leftist Are Going To Take Ukraine Into Clear Water"]

[FBIS Translated Text] **The leftist forces in Kharkov are preparing to organize a rally and to convene a meeting of the Kharkov Oblast Council to mark the fifth anniversary of the all-union referendum on the preservation of the USSR.**

[Stryzhko] We are organizing such rallies annually. I do not doubt that at the call of the leftist parties, the "Working Kharkov Oblast", and of veterans, many thousands of Kharkov residents will assemble on the Svoboda Square on 17 March. We think that the rally's slogan — "For the Union of the Peoples and for Human Dignity" — is in line with the people's demands as never before; it calls for the future and protests against the antinational political course.

[Kletsov] But your opponents say that the USSR is a step back to the past and that it is impossible to step twice into the same river...

[Stryzhko] Mildly speaking, the situation in which Ukraine has been recently placed is stinking and it is suicidal to live in such conditions. We must reach the clear water, feel the flow of life, as communists did in 1922 when they preserved the unity of our fatherland and the self-sufficiency of its economy. The world is currently prompting us by the following facts: North America is currently uniting; Europe is also uniting and creating a European Union and a European Parliament, a joint defense system, a joint currency, and so on. The degree of economic integration in the USSR, however, is higher than in Europe. Although today we are divided, we will unite in the USSR, which will become a new

Soviet Union, a new socialist union in terms of its development. Its contours have been shaped at the 2d Congress of the Peoples of the USSR.

[Kletsov] Do you know specific ways to resolve the economic crisis?

[Stryzhko] Primarily it is necessary to change the political course; otherwise everything which is left in Ukraine will be ruined. This does not refer to environmentally harmful industries fulfilling Western orders. At the meeting of the Third Kharkov Oblast Council, we will discuss a range of anticrisis measures — primarily state regulation, the nationalization of banks, the protection of the market from Western surrogates, and the reduction of expenditures and taxes. We believe that thanks to this an opportunity will emerge to raise the level of production, to improve living standards, and particularly, to reduce prices and municipal fees.

Today, neither the economy nor the state are performing their functions. An attempt by the president to continue the same political course based on a new constitution will not save the situation. Communists demand that the basics of a new constitution be discussed with the people, that is, a referendum must be held. Some 3 million people in Ukraine have placed their signatures in support of us; and we share a single opinion on this issue with all the leftist forces.

[Kletsov] Do leftist forces preserve their unity despite tumultuous processes taking place in the Ukrainian Socialist Party [SPU] and the Civic Congress of Ukraine [GKU]?

[Stryzhko] Yes, they do. In addition, each party preserves its image. Processes in SPU and GKU are characteristic for small parties who are in search for their place in politics. We wish them success in this search. At the same time, we are tolerant toward the fact that certain SPU members are issuing statements which distort facts and are using stereotypes of our joint political opponents. Political culture does not come immediately to every individual.

Economic Issues

Ukraine: IMF To Resume Stand-By Program for Kiev in Apr

LD2503203996 Moscow INTERFAX in English 1853 GMT 25 Mar 96

[FBIS Transcribed Text] KIEV, March 25 (Interfax - Ukraine) — The International Monetary Fund will resume the stand-by program for Ukraine in April 1996, IMF representative in Ukraine Aleks Sundakov told Interfax - Ukraine Monday.

This became possible after the Ukrainian parliament adopted the 1996 state budget on March 22, thus meeting a key requirement for the continuation of cooperation between Ukraine and the IMF.

The top limit of the budget deficit was set at 461.75 trillion karbovantsy, or 6.2 percent of GDP. Revenue was set at 2.39 quadrillion karbovantsy and expenditure at 2.85 quadrillion karbovantsy ($1 is worth 187,000 karbovantsy).

"The IMF, Ukraine's government and parliament had no differences regarding one of the sources for covering the 1996 budget deficit: National Bank credits (107 trillion karbovantsy)," Sundakov said.

However, "our prognosis is less optimistic regarding two other sources for covering the budget deficit: proceeds from the sale of government securities and foreign borrowing," he said.

Ukrainian economic reforms sped up at the beginning of 1995, Sundakov said. "All indicators related to the budget and the monetary program were respected," he went on to say. That is why Sundakov considers it possible to submit to the IMF board of directors in the near future documents which it needs for deciding the disbursement of about $100 million worth of the stand-by loan's fourth tranche to Ukraine. The IMF board of directors is expected to hold session on April 10-12, he said.

The IMF plans to extend nine tranches worth about $100 million apiece to Ukraine before the end of this year, Sundakov said, adding that the tranches will be disbursed monthly.

The fourth tranche of the stand-by loan was earlier expected to total about $350 million. The IMF decided to extend the stand-by loan, worth a total of about $1.5 billion, in April 1995.

Ukraine: Parliament Adopts Tax Bill on Gambling, Retail Trade

WS2603091496 Lvov INFOBANK in English 0755 GMT 26 Mar 96

[From "News Service" feature]

[FBIS Transcribed Text] On 23 March, the Supreme Council adopted the bill on patents for some kind of businesses, which includes tax on gambling business, retail trade, and foreign currency exchange.

According to Rostyslav Chapyuk, member of Commission on Economic Policy and Macroeconomic Management, patent for retail trade and currency exchange in one place will cost $200 per month by NBU's [National

Bank of Ukraine] exchange rate. The patent for gambling business activity will cost $50-$2,000 per month. Patent fees for retail trade activity and foreign currency exchange will be paid quarterly, while for gambling business activity — annually. Rostyslav Chapyuk mentioned that additional revenues will total more than 23 trillion karbovantsi.

According to the Patent Law, business entity is fined at the rate of a trade patent price and the trade patent is canceled for failure to meet a date of payments. Violation of the rules of patent is fined at the rate of trade patent monthly fees. Second violation increases fines.

Provision of this law does not apply to trade activity of the Cooperative Union and retail trade of self-produced goods as well as to goods produced by domestic firms.

Ukraine: Reasons for Decline of Steel Industry Viewed

WS2603111596 Kiev INTELNEWS in English 2044 GMT 25 Mar 96

[Article by Andriy Chirva: "Steel in Decline; Metallurgy Industry Floundering Unabated Despite Government Designation as Strategic" — from the "Economic Review" feature]

[FBIS Transcribed Text] Plagued by a 60-percent decline in production in the past five years, Ukraine's steel industry continues to flounder: Government's decree dubbing steel strategic and prohibiting privatization is starving the industry of venture capital while insufficient government subsidies preclude real investment or modernization.

"The government thinks metallurgy is strategic for the state, but the existing system of state purchase formation does not stimulate the plants to sign contracts and execute them," Volodymyr Tereshchenko, director of the Metallurgy Industrial Association of Ukraine.

"As industry does not undergo modernization, Ukrainian produce becomes somewhat expensive on the world markets. For instance, Ukrainian cast iron costs $180-$200 per ton, while the world average is $100-$120 per ton," he said.

Accounting for about 20 percent of Ukraine's industrial output, the industry receives only about 5 percent of government subsidies to state enterprises, according to government statistics. Production has dropped sharply since independence: in 1992 industry output amounted to $1.72 billion; in 1993 it amounted to $1.49 billion; in 1994 amounted to $1.30 billion; and in 1995 amounted to $1.11 billion.

The ferrous metallurgy output declined nearly 60 percent, and steel pipe production—once on of Ukraine's most valuable exports—fell 75 percent, according to Tereshchenko.

Government spending on the steel industry is about 5 percent of the investments total. For instance, subsidies equaled KBV13.2 [karbovantsi] trillion, with KBV530 billion coming from the government officials.

Ukraine has total of 26 major steel enterprises, including steel plants and integrated iron and steel works, coke chemical plants, mining and processing enterprises. Auxiliary enterprises total 50. The enterprises are operating at one-third capacity.

The industries employ about 400,000, about 7 percent of the nation's total industrial work force.

Decline in production has moved Ukraine from fourth to sixth in this list leading metal producing countries.

According to the Cabinet of Ministers Economics Department officials, one of the main problems inherited from the Soviet economy was a steel industry oriented for the needs of the Soviet Union: plants produced various components coordinated with the production of the entire Soviet Union. Petrovskiy plant, for example, produced axles and rims, Komintern plant produced steel sheets for fuel tanks, Donetsk plant and DniproSpetsStal plant covered the Union's needs in ball-bearing metal, said the Cabinet representatives. Meanwhile, some metal products, such as special-purpose steel, were imported.

The decrease of production in Ukraine has resulted from the decrease of metal consumption in the country, according to members of the State Committee on Metallurgy Industry. One key problem is lack of money to purchase the products, and if there's no sale, there's no money to develop production, said the committee representatives.

In 1995, the production of metal goods and production components: coke, cast iron, steel, ready rolled metal, dropped by a factor of more than two compared with 1990, the committee reported. Dropping almost by 80 percent was production of flame-resistant metals, steel pipes and metal hardware.

But even these figures don't reflect the real state of the industry, said committee officials.

Cabinet of Ministers economics department officials have reported that potential capacity of the steel industry is 40 million tons of rolled metal annually, while the industry produced 8 million during the last half of 1995. In 1994 there was only one unprofitable enterprise, while during 1995 three enterprises bankrupted.

Causes for the decline vary, according to officials. First, the increase of coal and other fuel prices and the drop in value of the karbovanets accelerated decline in exports. The loss of external markets registered as significant when the results for the first half of 1995 were summarized: supply volumes to neighboring countries dropped by a factor of four compared with 1993, committee officials said. Two years ago, Ukraine sold 4.3 million tons of rolled metal to these countries, while in the first half of 1995 half only 0.5 million tons were sold, said committee officials.

Ukraine's steel industry faces tough competition in CIS markets and especially in Russia. Several factors, including higher domestic energy prices and bigger taxes, are making Ukrainian metal more expensive than Russian one, according committee officials.

"The situation is very tough in these traditional markets for Ukrainian metal," said one committee official. "All these factors make Russian metal cheaper and more competitive than Ukraine's."

Other competition is coming from China and South Korea, both of which are now beating Ukraine in the world metal market.

Steel workers see the way out from the situation in strengthening of the industry's position within the country. Much depends on demand for metal products in Ukraine and that's why some in the industry want to see the state as a partner.

But obstacles to regaining even the national market loom. Taxes have lowered metal products' competitiveness within the national market as well as curbing exports. There are 15 types of taxes are imposed on metal products: from 27 percent to 33 percent in taxes are imposed on each stage of metal commodities production for the coke, cast iron. A total of 70 percent of a product's value is paid in taxes before the products are ready for market.

The steel industry is struggling to respond to the changing market by adopting such new processes as non-stop metal teeming, producing new types of rolled metal and steel.

Other initiatives call for creation of funds to accumulate money for reconstruction and improve trade-export policy under the Industry Ministry's control. But because privatization was bypassed, initiatives to revive the industry depend on legislation.

President Leonid Kuchma's law creating financial-industry groups would provide a major boost to the steel industry, according to pundits, but contention on the issue remains.

"We suggest to improve the state of things to establish on the governmental level a list of vital products and to clarify the export situation," Tereshchenko said.

Along with the complex of measures to enlarge the quantity of different-type metal products, the Industry Ministry approved exploitation of Novobuzhia Chromium-magnesite deposit to free Ukraine from dependence on Chinese magnesite and chromium ore from Kazakhstan. The prices for those types of raw materials were increased several times increasing the price of Ukrainian products and lowering its competitive capacities.

Belarus

Belarus: Lukashenka Said Anxious About Confederation With Russia

WS2603122996 Minsk SVABODA in Belarusian 22 Mar 96 pp 1,2

[Article by Aleh Hruzdzilovich: "The Confederative Catch"]

[FBIS Translated Excerpt] Confederation... For the second time in the history of Belarus this word is being presented as a slogan of rescue and prosperity. International experience shows, however, that a confederative structure has never been a cozy and reliable home, but always a temporary shelter. However, we, a small country, do not care about this great experience....

For a long time people had not seen the Belarusian president as angry as he was on Monday 18 March. The previous day, as reliable sources confirmed, he held a telephone conversation with the Russian president during which Lukashenka must have heard harsh assessments of his wavering with regard to the "State Duma's provocation" — the denunciation of the Belovezhskaya forest agreements. A plan for a Russian-Belarusian confederation, which was allegedly sent from Moscow, was an addition to the telephone reproach. One can even imagine that this document stood before the president's eyes during a conversation with the Supreme Soviet chairman and Presidium members, which was held on Monday morning. In any event, people who witnessed this conversation noted that the president did not behave "as he always does." He did not conceal his anxiety over the fact that Yeltsin seized his initiative to set up a confederation, and most importantly, he assessed the role which his cocreator [Yeltsin] reserved for Belarus and its president in a negative manner. [passage omitted]

Hopes

What does Belarusian leader Alyaksandr Lukashenka expect from a confederation? First of all, he is working on his electorate, and is preparing it for the next elections. Because common people do not understand "confederative" nuances, it is very easy to make those who are dreaming about merging with Russia into one country think that a confederation is such a country. Approximately 10 percent of voters are ethnic Russians. They are officers, military pensioners, and their descendants — who really think that Russia is here. Lukashenka hopes to hook them on the idea of a confederation because he could thus give them back their motherland. Furthermore, he counts on another 10 percent of "hardcore Soviets" — internationalists-Leninists — who will greet a confederation as the first step toward the revival of the "red empire." Add some 20 percent of those who vote for authority only because it is authority, and you will receive the required majority of participants in the political process (in Belarus this is currently 70 percent of all voters), which Lukashenka needs to dream about a victory in the next presidential elections.

Finally the main thing: As the Belarusian president expects, a confederation is the only thing that will save him from an economic fiasco. Lukashenka has already tasted the model "we cover you from the West, and you feed us from the East," and seriously believes that he will continue to play with the "zero option."

The Reality

It was completely unrealistic to expect that Yeltsin would accept the option for unification which Lukashenka first proposed to him in Sochi: During the first years of a united country, the Belarusian and Russian presidents would rule by turns, and then — general elections of the president and parliament. At the end of this scheme, Lukashenka saw himself. Because Yeltsin, too, saw Lukashenka there, he decided to alter the scheme. He reportedly proposed another scenario for integration — two countries with one financial and military system, separate elections with the preservation of strong local presidents, a union headed by an elected leader without powers (such as [CIS Executive Secretary] Ivan Karatchenya), and in the future a complete political union with a common parliament.

It is clear who will have the upper hand in this confederation: the unified monetary system will be subordinated to Moscow, and this means that Lukashenka will soon lose his economy. He will gradually lose his armed forces as well, which he will be unable to feed and clothe independently, and thus he will no longer be able to dictate anything. According to this scenario, what Lukashenka should expect in a year is to become a political puppet who will stand no chances even in presidential elections in Belarus since the economic situation will not improve (because it will not improve in Russia either). Additionally, whether we want this or not, we will have to participate in military operations in Russia and lose our sons in them. If Lukashenka is not elected in our country, he will not be elected in the unified motherland named Bela-Russia either, and this will be a disaster for him. The Belarusian president will not agree to pave himself a road to such a disaster which has been prepared for him by the Russian establishment.

This is why he is currently so anxious. Therefore, he is hastily searching for a third option and says that he is not satisfied with the role reserved for Belarus in a new confederation....

...However, this search will be futile, because there is no other choice than to be a truly independent country, and the idea of confederation is simply a self-deception. History has already shown this, unlike some history teachers.

Belarus: Presidential Aide on Minsk Rally Provocations

LD2503192996 Moscow Russian Television Network in Russian 1700 GMT 25 Mar 96

[From the "Vesti" newscast]

[FBIS Translated Text] Belarus' law and order bodies were today preoccupied with elucidating the circumstances of yesterday's clashes in the republican capital, Minsk.

[Begin recording] [Uladzimir Zamyatalin, identified as deputy head of the Belarusian president's administration] It was an ordinary and planned action, prepared well in advance. The rally was organized by specific individuals, representing the Belarusian People's Front.

These people suffered a crushing defeat at the elections to the republican Supreme Soviet. Not a single nationalist representative succeeded in becoming a member of parliament. [end recording]

The deputy head of the Belarusian president's administration stressed that it should be borne in mind that a year ago the people of the republic voted in a referendum to give the Russian language an equal status with the Belarusian language. The people also voted for a new state insignia and for integration with Russia.

[Begin Zamyatalin recording] It is a process of integration between Belarus and Russia, initiated by our presidents. The organizers of the rally, and a certain, infinitesmally small number of deputies of the current Supreme Soviet, are playing a certain card, hoping to wreck the signing of the Belarusian-Russian treaty. [end recording]

Belarus: Minsk Mayor Promises Punishment to Opposition Demonstrators

LD2503161396 Moscow ITAR-TASS in English 1529 GMT 25 Mar 96

[FBIS Transcribed Text] MINSK March 25 (Itar-Tass) — 12 people were detained "for hooligan actions" during a mass demonstration in the Belarusian capital on Sunday and Minsk mayor Vladimir Yermoshin said on Monday its organisers would be held responsible for holding the rally in an unsanctioned place and for attempting to get air time on the state television by force.

7,000 people, according to the estimates of the Interior Ministry, protested against the plans of President Alyaksander Lukashenka to sign a union treaty with Russia. The demonstrators were mostly members of the opposition Belarusian Popular Front who arrived to the capital from across the country.

Opposition leader Zenon Poznyak said he did not reject close economic cooperation with Moscow, but was categorically against any supranational power bodies which could infringe on the sovereignty of the republic.

According to Yermoshin, the demonstrators violated the allowed itinerary of the march when they moved towards the State Television company and demanded to give air time to the leaders of the Popular Front.

He said some 4,000 people broke through police lines and riot units with shields and batons had to be sent to stop them.

The demonstrators threw snowballs and pieces of ice at the police, but were pushed away from the State Television Company premises. Several people were injured in clashes.

Belarus: Reports on Clashes at Demonstrations

LD2503221396 Moscow NTV in Russian 1900 GMT 25 Mar 96

[From the "Segodnya" newscast; passages within quotation marks recorded]

[FBIS Translated Text] Serious passions are flaring up in Belarus over the statement by Alyaksandr Lukashenka. There is even talk of the threat of street clashes. Here is a report from Minsk.

[Unidentified correspondent] Mass demonstrations by supporters of the opposition in Minsk, which came out against the forthcoming union treaty with Russia, were today followed by reports about the consequences of them.

The state mass media carried a statement by President of Belarus Alyaksandr Lukashenka, which condemned the demonstrators, apologized to the people of Minsk for the inconvenience caused by the demonstrators, and described the mass protest act as, I quote, a nationalist rumpus, end quote.

The Belarusian People's Front held a news conference today hot on the trail. According to eyewitness accounts, after the demonstration and rally, when people began to disperse, they were caught and beaten up.

[Sergey Naumchuk, press secretary of the Belarusian People's Front] "After the rally near the television center and the KGB building, over 100 people were beaten up.

At least this number needed first aid. Around 10 people were admitted to hospital and around 30 were detained."

[Correspondent] According to the leader of the Belarusian People's Front, the patience, or renowned [word indistinct] of the Belarusians, is wearing thin.

[Zyanon Paznyak] "The people are tolerant. They have respect for their superiors. However, if bounds are crossed, if the nation, these people, realize what is at issue, they would not shout or tear their shirts like the Russian do. No! They would be calm, smile at you, talk to you, stab you with a knife, then go and have dinner calmly, and go to bed and sleep soundly."

[Correspondent] Slavomir Adamovich, leader of the Right to Revenge [Pravo Revansh] youth organization, thinks that there are people in the Republic already who are ready, should the need arise, to take up arms.

[Adamovich] "These people will be forced unequivocally, well, to fire and take up arms, because the price is too great. It is state independence, freedom."

[Correspondent] "Where did the people of Belarus get weapons from? Have they been dug up from the times of the war?"

[Adamovich] "Well, I do not know how to answer that. They do have them."

[Correspondent] There have already been serious clashes in Belarus between conflicting political forces. You will now see unique film shot only by an NTV crew. These pictures were not shot today, that is true. The clash is between activists of the Belarusian People's Front and supporters of Barkashev's Russian National Unity in Minsk. [video shows fist fights between members of crowd inside a building; a woman shouts: "We do not need a war here. We are peaceful Belarusians! We will build our own future!" video also shows interviews, demonstrations, and militia]

Kyrgyzstan

Kyrgyzstan: Premier on Visit by Russian Delegation, Customs Union

LD2103165596 Tashkent Radio Tashkent Network in Uzbek 1000 GMT 21 Mar 96

[FBIS Translated Text] A Russian delegation headed by Aleksey Bolshakov, first deputy prime minister of the Russian Federation, made a brief visit to Kyrgyzstan. The guests were received by President of Kyrgyzstan Askar Akayev and Prime Minister Apas Dzhumagulov.

The subject of Kyrgyzstan joining the customs union with Russia, Kazakhstan, and Belarus was discussed and its wish to join this union was expressed. This document will be signed in Moscow on 29 March. Other topics were also discussed at the meeting, such as intensifying integration.

On this subject, Prime Minister of Kyrgyzstan Apas Dzhumagulov said the following:

[Begin Dzhumagulov recording, in Russian] First Deputy Foreign Minister Boris Nikolayevich Pastukhov and deputies of the Ministry of Cooperation, Ministry of Finance, and a number of other departments and ministries of the Russian Federation are in the delegation. The purpose of the visit is to determine the program of the official visit and other matters not given much attention until now. I can confidently say that all matters have been solved and that the documents are ready for signing by the presidents of the Russian Federation and the Kyrgyz Republic.

Intense work is under way to determine certain positions and matters relating to the documents that are to be signed by the Governments of the Russian Federation and Kyrgyzstan.

As for the customs union. It is really a very serious step for Kyrgyzstan to join the trilateral agreement on a customs union. This has become a serious landmark for Kyrgyzstan.

There are many strands connecting Kyrgyzstan and Russia. Many enterprises are used to working together for a very long time, which is why a link between Kyrgyzstan's enterprises and those of Russia is of exceptional importance. [end recording]

Kyrgyzstan: Bishkek Skeptical About Belarusian Integration Proposal

LD2503193796 Moscow INTERFAX in English 1809 GMT 25 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Kyrgyzstan's leadership is closely looking at a recent integration proposal put forward by Belarus President Alyaksandr Lukashenka in Moscow on March 23 (see the BELARUS section above), a member of the Kyrgyz president's office said on Monday.

Many of the latest initiatives by Belarus and Russia have been designed to meet the requirements of the current presidential election campaign in Russia, Baktybek Abdrisayev, head of the international department of the president's office, told Interfax in an exclusive interview. "Therefore we consider it necessary to be more careful in working out or own position."

"The Kyrgyz side believes structures existing within the Commonwealth of Independent States are sufficient to strengthen integration," and what is being proposed now "disregards the realities that have taken shape within the Commonwealth," he said. But he said he was sure experts drawing up a quadrilateral integration treaty for Russia, Belarus, Kazakhstan and Kyrgyzstan would produce a document by a March 29 summit of the four countries which would suit all four.

The same day Abdrisayev, at a news briefing, gave what are due to be the highlights of a visit by Akayev to Russia beginning on Tuesday. The main purpose of the first official visit Akayev will have made to Russia as president is to further strengthen economic, cultural and humanitarian cooperation between Kyrgyzstan and Russia, Abdrisayev said.

He said Akayev would start his visit by coming to St. Petersburg, where he would meet Mayor Anatoliy Sobchak and visit an electric equipment plant.

On Wednesday Akayev would start official negotiations with his Russian counterpart, Boris Yeltsin, expected to result in a set of documents, one of which is a joint declaration of intent to develop cooperation.

Altogether about 10 accords have been drafted for the visit. They would make provision for closer cooperation in defense, television, radio broadcasting and air transport, simplify the procedure for Kyrgyz nationals to receive Russian citizenship and for Russian nationals to receive Kyrgyz citizenship, and establish the status of and regulations for Russian troops in Kyrgyzstan.

On March 29 Akayev is expected to take part in the quadripartite summit.

Kyrgyzstan: Akayev's 'Almost Unlimited' Power Boosted by New Staff

MM2503154496 Moscow PRAVDA in Russian 23 Mar 96 p 2

[Report by Yuriy Razgulyayev: "The Staff Is Paramount..."]

[FBIS Translated Text] A new organ of administration has been set up in Kyrgyzstan. It further strengthens and expands the one-man rule of President Askar Akayev. The organ is the head of state's staff, which will play a decisive role in the elaboration of domestic and foreign policy and the selection and placement of cadres. It has effectively been given the right to monitor all the branches of power.

In accordance with the new statute on the Presidential Staff, approved by Askar Akayev himself, this organ will replace and appoint leaders of all ranks and issue instructions to all organizations irrespective of departmental jurisdiction. Of course, this seriously undermines the rights of the Zhogorku Kenesh and the government. The former will now only write and occasionally improve on laws while the latter will be reduced to implementing decisions adopted at the top, that is, by the staff.

This, according to some experts, completes the establishment of Askar Akayev's almost unlimited power.

Tajikistan

Tajikistan: Rakhmanov Calls For Deeper Integration Within CIS States

LD2003202896 Moscow INTERFAX in English 1641 GMT 20 Mar 96

[FBIS Transcribed Text] DUSHANBE, Mar 20 (Interfax) — Tajik President Emomali Rakhmanov has spoken in favor of deeper political and economic integration between CIS member states on the principles of sovereignty, Rakhmanov's spokesman Zafar Saydov told Interfax Wednesday.

Only such a policy can preserve stability and ensure progress and optimal development of the country's national interests, the Tajik president said.

Rakhmanov believes that in the present situation it is impossible to re-create the Soviet Union in its previous form. He stated his support for the initiatives of CIS leaders who favor a principally new union based on a new political, institutional and legal system of cooperation. The only feasible way to reach progress in the area is to accelerate integration between CIS countries, because there is no alternative to a political and economic rapprochement between former Soviet Union republics, said Rakhmanov.

Tajikistan: Rakhmanov Meets With Indian Official, Discusses Ties

LD2203115196 Moscow ITAR-TASS in English 1115 GMT 22 Mar 96

[FBIS Transcribed Text] DUSHANBE, March 22 (Itar-Tass) — The government of India favours an in-depth development of relations with Tajikistan, which received an impetus from President of Tajikistan Emomali Rakhmanov's official visit to New Delhi.

One of the first steps in the desired direction will be made at the first session of the joint governmental Tajik-Indian commission which will meet soon to coordinate practical implementation of the achieved accords on economic and political cooperation, the Indian Government's Secretary of State Krishna Rakhunatha told journalists after a conversation with President of Tajikistan Emomali Rakhmanov here today.

Mr Rakhunatha arrived for a brief working visit to Dushanbe late on Thursday, March 21.

According to Mr Rakhunatha, he discussed with the President of Tajikistan the extension of five million dollars in a soft-term loan to this Central Asian republic.

"The amount is not great, but it would be provided to fund specific projects aiming to boost the development of the pharmaceutical industry and medicare in Tajikistan," the Indian official said.

He said that regional security and the social and political situation in Tajikistan also featured prominently in his conversation with the Tajik President.

The Indian diplomat praised the Tajik government's efforts aimed at settling the inter-Tajik conflict by political means. He said the President of Tajikistan saw no alternative to the peaceful, political settlement of the crisis in his country.

Also today, Mr Rakhunatha met Tajikistan's Foreign Minister Talbak Nazarov and other officials for talks on aspects of cooperation between the two countries.

The Indian official is due to leave Dushanbe on Friday evening.

Turkmenistan

Turkmenistan: President's Caucasus Visit Chronicled

LD2203162996 Ashgabat TURKMEN PRESS in Russian 0715 GMT 22 Mar 96

[Unattributed report: "Fine New Pages Have Been Written in the Chronicle of Turkmenistan's Independence — the chronicle of the Visits of Saparmurad Turkmenbashy to Azerbaijan, Armenia, and Georgia]

[FBIS Translated Excerpt] Baku, 18 Mar — This morning [18 March] an airliner with Turkmen President Saparmurad Turkmenbashy [Niyazov] on board landed at the airport in the capital of Azerbaijan. [passage omitted]

The ceremonial signing of a whole package of bilateral documents, fundamental to extending and expanding Turkmen-Azeri cooperation, was the consummation of the summit talks. President Niyazov and President Geydar Aliyev signed a friendship and cooperation treaty between Turkmenistan and Azerbaijan. Agreements were signed between the Turkmen Government and the Azerbaijani Government for free trade, industrial cooperation, exchange of legal information, cooperation in merchant shipping, in the areas of education, healthcare, science, technology and information, culture and sport.

The sides also signed a "Consular Convention between Turkmenistan and Azerbaijan" and a protocol on consultations between the Foreign Ministries of Turkmenistan and Azerbaijan. The presidents of the two countries made the Baku Declaration, in which, touching on the resolution by the State Duma of the Russian Federation denouncing the Belovezhskaya Pushcha agreement of 1991, on behalf of their states and peoples, they confirmed their determination to continue pursuing a policy of strengthening their national statehood, to create the necessary conditions for ensuring the political and economic sovereignty of their countries.

Afterwards, a news conference took place. Answering journalists' questions, the two heads of state noted that their talks were particularly fruitful, and there were high levels of mutual understanding and trust between the leaders of Turkmenistan and Azerbaijan.

Students and teachers of the Baku State University gave a warm welcome and a stormy ovation to Niyazov and Aliyev. The assembly hall of the largest higher education institution of the country was decorated with Turkmen flags and portraits of Saparmurad Turkmenbashy. Amid long and continuous applause, the head of independent Turkmenistan was ceremonially given an Honorary Doctorate of the university. [passage omitted]

Returning to Yerevan, President Niyazov and Armenian President Levon Ter-Petrosyan opened the first round of bilateral talks in private. A package of documents was signed after detailed discussion with the participation of the government delegations. The first to be signed was a joint declaration by the leaders of the two countries about the denouncement by the Russian State Duma of the Belovezhskaya Pushcha agreement. In this declaration both presidents confirmed their determination to pursue the course chosen of independent and sovereign development, and their willingness to extend cooperation within the CIS in every way possible on the basis of mutual respect and to mutual advantage. In this connection, the leaders of Turkmenistan and Armenia expressed their solidarity with the position taken by Russian President Boris Yeltsin. They also spoke of their determination to develop multilateral relations with Russia further, as this sphere of relations with Russia is a priority in the system of inter-state links. Agreements were signed to protect and encourage investment, to exchange legal information, to cooperate in the sphere of healthcare, and on a schedule for repaying debts for supplies of natural gas. A number of other documents were also signed regulating the development of links between Turkmenistan and Armenia in many areas of mutually advantageous cooperation.

Speaking to journalists after the ceremonial signing of the documents, both presidents emphasized that links between the sovereign states, which had entered a new era in their development, were irreversible. [passage omitted]

During talks held afterwards, President Niyazov and Georigan President Eduard Shevardnadze discussed the whole of the spectrum of issues of mutual interest. [passage omitted] In particular, they spoke unambiguously about the inexorability of their positions on the further development of Turkmenistan and Georgia as independent entities of the international community. They also expressed their full support for the stance adopted by the president of Russia on the denouncement of the Belovezhskaya Pushcha agreement.

President Shevardnadze emphasized Georgia's absolute solidarity with Turkmenistan's foreign policy, in which that country's new status is defined as that of a neutral state. The Georgian leader noted that neutral Turkmenistan was a guarantor not only of its own stable development but also of settling the situation in the whole region by taking major steps towards creating a system of comprehensive security. [passage omitted]

Within the framework of the summit talks a wide range of bilateral documents aimed at coordinating the further development of bilateral relations were signed. Among

them were agreements between the two governments to encourage and protect investments, on free trade, to exchange of legal information, to cooperate in the sphere of higher education, and a treaty between Turkmenistan and Georgia for legal assistance in civil and criminal cases.

During a news conference held after the talks, the leaders of Turkmenistan and Georgia spoke in favor of the need to extend partnership, noting that the existing firm links between the two states served as a reliable basis for developing cooperation in many areas. [passage omitted]

Turkmenistan: Turkmen, Uzbek Presidents Discuss Cooperation

LD2603112196 Ashgabat TURKMEN PRESS in Russian 0600 GMT 26 Mar 96

[FBIS Translated Text] Ashgabat, 25 [as received] March — A telephone conversation took place today [25 March] between Turkmen President Saparmurad Turkmenbashy Niyazov and Uzbek President Islam Karimov during which questions of developing bilateral relations and particularly implementation of earlier agreements and treaties were discussed.

The leaders of the two countries noted with satisfaction the dynamic development of bilateral relations through strict and keen implementation of partnership obligations.

Islam Karimov invited Saparmurad Turkmenbashy to take part in the opening ceremony of the memorial to the great Turkmen poet Magtymguly in Khorezm in May this year. The invitation was accepted with thanks.

Saparmurad Turkmenbashy said that the historical community of interests between the cultures of the two nations and the gratitude felt towards great ancestors will serve as a firm base for the development of close relations between the fraternal neighbors both today and in the historical perspective.

The presidents of the two countries exchanged views on a number of international issues, including the agenda of the forthcoming meeting of the heads of countries in ECO [Economic Cooperation Organization] in May. President Karimov confirmed that he would be participating in this important activity.

The leaders of the two countries considered the situation in the CIS, confirming their readiness to continue to develop ties within the framework of the Commonwealth of Independent States on the basis of equality, mutual respect, and mutually advantageous cooperation and regarding it as an acceptable mechanism for supporting relations between sovereign states.

In conclusion, the presidents exchanged good wishes and passed on good wishes to each other's people.

Turkmenistan: 'Urgent' Measures Needed To Resolve Aral Sea Crisis

LD2603112796 Ashgabat TURKMEN PRESS in Russian 0700 GMT 26 Mar 96

[FBIS Translated Text] A group of experts from the Aral Sea project of the UN Development Program has held consultations with the Government of Turkmenistan to set up a national commission here to overcome the Aral crisis. This measure has become urgent, given a proposal to review the program of specific measures to save the Aral Sea, within the framework of which measures to restore the Aral ecological system have been taken since June 1994. However, the region has not received the $36 million granted by international organizations and donor countries to implement the first phase of the program, whose term is due to expire this summer. The allocation of preferential credits worth $225 million to fund the second phase of the program is likely to be postponed indefinitely.

The program has thus virtually collapsed, apart from insignificant investments in specific projects in certain countries. For instance, Turkmenistan's government allocated about 2 billion manat in 1995 for measures in the country's Tashauz Region, which is the most seriously affected by the Aral Sea.

The problem with funding the program emerged mainly because international donors were ready to invest money only in regional projects. However, today they realize that funds should be decentralized and distributed on an equal footing between the Aral region states. The next meeting of the Interstate Council on Aral Sea Problems, which is to consider this issue, will take place at the end of March this year in Kzyl-Orda (Kazakhstan). In the event of a positive result, a new draft program will be submitted within the framework of a routine meeting of the ecological commission [of the Interstate Council] in Bishkek in July this year. It should be noted that as long ago as March 1995, during the summit of leaders of the five Central Asian states, Turkmenistan President Saparmurad Niyazov proposed working out national programs to become the basis for implementing a regional strategy to save the Aral ecological system. At the time the proposal was backed by the heads of Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan.

The decision of the Interstate Council's ecological commission to set up a regional scientific research center to examine the Aral problem at the Desert Institute of the Academy of Sciences of Turkmenistan has remained on paper. As Academician Agadzhan Babayev, director of

the Desert Institute, said, regulations for the scientific research center and a program for its activities have already been worked out, but the funding issue is still unsolved, and, it seems, should be solved at the meeting in Kzyl-Orda. In the scientist's view, two years would be enough to create a comprehensive database on the Aral Sea, and it would allow forecasts of the further development of the Aral ecological system, whose deterioration has given the Aral region the appearance of the rapidly growing Ak-Kum desert. According to scientists, the area of the Ak-Kum desert will reach 3 million hectares by 2000.

Uzbekistan

Uzbekistan: President Karimov Against CIS Supra-State

LD2303202196 Tashkent Uzbekistan Television in Russian 1430 GMT 23 Mar 96

[Interview with Uzbek President Islam Karimov by unidentified correspondent; place and date not given — as read by announcer]

[FBIS Translated Text] A correspondent of the National Information Agency of Uzbekistan asked the Uzbek President Islam Karimov to answer a number of questions on the development of integration processes in the CIS countries.

[Correspondent] It is very often the case of late that the press and television of some countries say that various interstate agreements are being prepared for signing about deepened integration in the post-Soviet space, in the CIS countries. We would like to know your position on this question.

[Karimov] Indeed, people are talking a lot about the integration of states in the post-Soviet space, saying that the CIS is becoming obsolete, that it is necessary to create a so-called new model of integration. Some have already prepared names in advance for these designated associations and interstate formations. One has the impression from listening to the president of Belarus, Comrade Alyaksandr Lukashenka, that if we all do not start integration and do not unite around Russia, then we will all be lost, we will have no prospects, no chance of survival. We constantly hear statements all around that no one, no state, can survive independently, solve its problems, or escape from crisis. They say that nobody is waiting for us in Europe or elsewhere, so the sole salvation is to unite as soon as possible, or as it is fashionable to say nowadays, it is necessary to integrate. First on a deepened, interstate, economic, and humanitarian basis, then to go to something like a confederation, federation, or even a union, that will be more monolithic than the former USSR.

Another point: Certain leaders of now-sovereign states are already trying to dissociate themselves, by all means possible, from being blamed — God forbid — for the collapse of the former USSR. Some leaders of CIS countries have a real urge to promote ever newer initiatives for integration and the creation of various unions. Each time, they try to speak not only on their own behalf, nor on behalf of their own republic, let us say, but undoubtedly on behalf of all the countries united in the CIS, they want to speak thus for all, in the meantime not troubling themselves at all about the mentality of the people, how the people live, what the mood of the people is in these states, how they relate to these problems, how they see their future.

[Correspondent] How, in your opinion, can such initiatives be explained?

[Karimov] To explain such inordinate activity is possible only one way. First of all, [an urge] always to be in the limelight, to show concern not only for one's own people, but also for the other republics and peoples that were once in the USSR.

Second, and perhaps this is the main point, to distract the attention of one's citizens and society from acute internal problems, because one sees no other way out, and if you like, because of complete hopelessness.

Yes, there is no need to argue, we need integration. I would have said, not simply integration, but cooperation as well, which will allow us through joint efforts to unite our existing possibilities and potential to reach common goals, for the sake of the well-being of our people. But this integration must be sensible, it must be integration for which the necessary conditions and prerequisites have already been created. That is to say, integration, in my firm conviction, can be positive only when it depends primarily on one's own potential, powers, and possibilities. At the same time, there could be something for mutually profitable partnership, I repeat, for mutually profitable cooperation, so that all interested sides could benefit.

Attempts based on dependency, on the hope that one can solve one's own problems through others and their resources, attempts to create, figuratively speaking, a common kitchen, where everything is distributed equally, is absolutely unacceptable to us. It is especially important that this integration should not limit our freedom, our contacts with those potential partners with whom we want to build our relations, irrespective of their ideology or of which continent they are located in. Moreover, a new model of integration should not pursue the aim of creating a military and political bloc, the necessity of which it is often spoken of from various platforms.

[Correspondent] How do you envisage the fundamental points on which it will be possible to build and form integration processes?

[Karimov] We consider that integration and cooperation between states should be based on the following five basic conditions:

1. Free will and the full equality of states, preserving their sovereignty and state independence.

2. The identical direction and nature of the reforms being conducted in each state. In our view, states that are at different levels of political and economic reformation and legislative and legal basis, cannot integrate.

3. Support primarily for one's own potential. The mutual profitability of extending the process of integration and cooperation. The exclusion of any forms of dependency approach, or attempts at using the resources of one state to solve the problems of another state. It is impossible to build it into one's calculations that mighty Russia will take others on its shoulders.

4. The inadmissibility of forcing the pace of integration. Integration should not be for the sake of integration itself, nor for populist and political purposes, but above all in the interests of the well-being of the people, in whose name and opinion we always try to justify all our actions.

5. The absolute inadmissibility of ideologizing the integration process, by which the formation of joint, supra-state, interparliamentary, interstate structures outstrips and puts pressure on the processes of economic integration. One must not put the cart before the horse, or, in other words, put politics before the economy. Enforced or violent methods of so-called integration are absolutely inadmissible to us. There is no need to say where that might lead.

Uzbekistan: Karimov Receives Indian Foreign Minister

LD2003201196 Tashkent Uzbekistan Television in Russian 1430 GMT 20 Mar 96

[FBIS Translated Text] A delegation of the Republic of India, led by External Affairs Minister Pranab Mukherjee, is visiting Uzbekistan. The delegation has been received by President Islam Karimov.

Uzbek-Indian relations are being reinforced with every day. The present visit by an Indian delegation to our country is evidence of this. During the meeting, President Islam Karimov noted the need to develop political, economic, cultural, and trade relations between our states. The problems of securing peace and stability in the region were also considered. Pranab Mukherjee handed a personal message from Indian Prime Minister Narasimha Rao to President Islam Karimov.

Uzbek Foreign Minister Abdulaziz Komilov and India's Ambassador to Uzbekistan Bhadrakumar also attending the meeting.

Uzbekistan: Visit of U.S. Official Collins Assessed

LD2203163496 Almaty KARAVAN-BLITS in Russian 18 Mar 96 p 4

[Unattributed report: "Americans Asked on Behalf of Russians"]

[FBIS Translated Text] Tashkent — The Americans proposed six projects at once to convert Uzbek defense enterprises during the recent visit to Tashkent by an imposing delegation led by James Collins, chief coordinator of U.S. policy in the CIS countries.

Having carried out some research, the meticulous Yankees understood, however, that new and advanced technology can be developed only if the migration of Russians, who make up the backbone of the technical elite, is stopped. In recent years 700,000 people have already left Uzbekistan. A working class capable of manufacturing up-to-date goods in the Republic can only emerge after, at best, 10-15 years. This was stated plainly at the highest level.

In addition, the Americans visited a paratroop division in Fergana and were very much pleased with it. They promised to train the peacekeeping battalion set up recently by Uzbekistan, Kyrgyzstan, and Kazakhstan within the framework of NATO's Partnership for Peace program. It is quite possible that combined maneuvers will be held in the desert.

Armenia

Armenia: President Undecided on CIS, Causcasian Summit

LD2203183496 Moscow INTERFAX in English 1605 GMT 22 Mar 96

[From the "Presidential Bulletin"]

[FBIS Transcribed Text] President Levon Ter-Petrosyan has not yet decided whether he would take part in a proposed conference on peace in the Caucasus region, his acting press secretary said on Friday.

Whether Ter-Petrosyan, who has been invited to the conference, would go to it "is under discussion," Levon Zurabyan told Interfax. IF Note: Georgian President Eduard Shevardnadze recently proposed that the heads of state of Georgia, Armenia, Azerbaijan, the North Caucasus republics of Russia and Turkey convene in Vladikavkaz, capital of the Russian republic of North Ossetia, for a "Peaceful Caucasus" conference. Shevardnadze put forward the proposal during a recent meeting in Vladikavkaz with North Ossetian President Akhsarbek Galazov.

As for another proposal by Shevardnadze, one for calling an emergency summit of the Commonwealth of Independent States (CIS) on the recent denunciation by Russia's lower house of parliament, the State Duma, of 1991 accords which put an end to the Soviet Union, "that initiative has not yet been formalized," Zurabyan said. He made clear Armenia would not make any decision before Shevardnadze's proposal "reaches the leaders of CIS member countries through the channels of the Commonwealth Secretariat."

"The integration process within the CIS is developing in a rather interesting way," Zurabyan said, going over to another subject. "This process can be split up into several components, in particular integration in the field of collective security and economic integration." So "it is natural that different CIS countries are showing different degrees of interest in the two above-mentioned aspects." Armenia, for example, is more interested in collective security, whereas other states "prefer customs agreements."

But "integration is a dynamic process... which involves the evolution of views and positions."

Armenia: Prime Minister Bagratyan Leaves for France

NC2303202296 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0831 GMT 22 Mar 96

[FBIS Transcribed Text] Yerevan ("Azg" daily), 03/22/96 — A governmental delegation of Armenia, headed by Prime Minister Grant Bagratyan, left for France on 22 March. The delegation involved Minister of Economy Vahram Avanesyan, Minister of Interior Vano Siradeghyan, Minister of Culture, Youth Problems, and Sports Hakob Movses, head of Prime Minister's Cabinet Vardan Sargsyan.

The delegation will participate in an exhibition Armenia: From Roots till 4th Century, to be held in a museum in the city of Nante.

During the visit to Paris Mr. Bagratyan plans to meet his French counterpart Allen Jupen. According to governmental press service, Prime Minister and other members of governmental delegation will meet the leaders of several large companies.

Armenia: President Receives New Russian Border Guard Commander

NC2103181096 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 21 Mar 96

[FBIS Translated Text] Armenian President Levon Ter-Petrosyan today received a delegation headed by Lieutenant-General Vladimir Ruzliayev, who was only recently appointed commander of the Caucasian Special Border Military District of the Russian Federal Frontier Service.

The president congratulated Vladimir Ruzliayev on his appointment to this post.

The cooperation between the Armenian and Russian frontier troops, matters on joint protection of the borders, as well the situation along the borders, were examined.

Armenian National Security Minister Serzh Sargisyan, Commander of the Armenian Frontier Troops Major-General Levon Stepanyan, and the Russian Ambassador to Armenia Andrey Urnov also attended the meeting.

Armenia: Relations With Russia To Worsen if Communists Win Power

LD2503185496 Moscow INTERFAX in English 1654 GMT 25 Mar 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] YEREVAN, March 25 (Interfax) — If the Communists return to power in Russia, this "will only worsen Armenian-Russian relations," Armenian First Deputy Foreign Minister Vardan Oskanyan said in an interview with national radio.

"Democratic Russia is the best option for Armenia as well as for other CIS countries," he said.

Armenia "seems to have succeeded in working out a mechanism for equal relations with Moscow," Oskanyan

said. "If we manage to continuously pursue a policy which would not threaten Russia's national interests and security, Armenia will never have problems with this country," he said.

In its foreign policy Armenia focuses on developing relations with its closest neighbors, relations within the scope of the CIS, primarily with Russia, and relations in the "Euro-Atlantic" direction, Oskanyan said.

The creation of the CIS has allowed former Soviet republics to avoid the "Yugoslav scenario," prevent potential

Armenia: Iran Stands as Third Major Trade Partner in 1995

LD2503190596 Tehran IRNA in English 1833 GMT 25 Mar 96

[FBIS Transcribed Text] Yerevan, March 25, IRNA — Iran stood as Armenia's third major trade partner in 1995 with an export figure of over dlrs.[dollars] 77 million, while importing commodities worth about dlrs. 32 million from that country.

Moreover, Iran offered humanitarian relief aid, worth dlrs. 75,000, to Armenia last year.

Russia and Turkmenistan were first and second trade partners of Armenia for exchange of goods worth dlrs. 188.5 million and dlrs. 169 million respectively last year.

Foodstuff, wheat and rice were major imported goods and cars, industrial machineries and railway equipment were major exported commodities of the republic last year.

Azerbaijan

Azerbaijan: Aliyev Optimistic on Solving Armenian Conflict

LD2103190896 Moscow INTERFAX in English 1743 GMT 21 Mar 96

[From the "Presidential Bulletin" feature compiled by reporters Anna Kovalyova, Nikolay Zherebtsov, Andrey Petrovsky, Boris Yunanov]

[FBIS Transcribed Text] President Geydar Aliyev says he hopes that a solution will be found to the Armenian-Azeri conflict already this year. [sentence as received]

Speaking in Baku on the occasion of a New Year by Muslim calendar on Thursday, he said this would eventually help resolve the most painful issue for Azerbaijan — "aggression and occupied territories."

Aliyev spoke of his determination to seek peaceful ways for the release of the occupied Azeri lands and repatriation of refugees.

He thanked the nation for backing the government's police at home and abroad describing "the unity of the nation and state is the main achievement in the past two years."

As he called on the people of Azerbaijan to rally behind the government policy, the president expressed confidence that his line aimed at social and economic reforms will triumph.

At a charity function for orphans and children of the refugees the day before, the president expressed the hope for "the release of occupied Azeri lands and onset of a long-awaited peace." He said that the country will then be able to live happily and divert more attention to those in need including the children

Azerbaijan: Aliyev Receives Turkish Envoy on Nagorno-Karabakh

NC2103190996 Baku Radio Baku Network in Azeri 1700 GMT 21 Mar 96

[FBIS Translated Text] Azerbaijani President Geydar Aliyev today received Ayhan Kamel, Turkey's OSCE representative on the Karabakh problem. Ayhan Kamel handed a letter from Turkish President Suleyman Demirel to President Geydar Aliyev. Ayhan Kamel said that before coming to Baku he visited Yerevan, where he held talks with the Armenian leadership on the peaceful resolution of the Nagorno-Karabakh problem.

Azerbaijan: Aliyev Meets U.S. Ambassador, Comments on Karabakh

LD2503193996 Moscow INTERFAX in English 1809 GMT 25 Mar 96

[From the "Presidential Bulletin" feature: Compiled by Anna Kovaleva, Nikolay Zherebtsov, Andrey Petrovskiy, and Boris Yunanov]

[FBIS Transcribed Text] Azerbaijani President Geydar Aliyev said he was pleased with the invigorated dialogue on the resolution of the protracted conflict with Armenia over the disputed enclave of Nagorno-Karabakh

"The political dialogue has gained momentum. Intensive talks are currently under with the participation of not only the parties directly involved in the conflict, but also international mediators," Aliyev said during his meeting with U.S. ambassador to Azerbaijan Richard Kanzlarich in Baku on Monday.

Aliyev noted the "increased activity" of U.S. and Russian mediators who are trying to "coordinate their moves," while putting forth their own peace initiatives, in order to reach a comprehensive peace settlement in Karabakh.

The Azerbaijan leader made it clear that the invigoration of talks meets the interests of Azerbaijan which "favors the earliest resolution of the conflict." He noted that this creates the necessary prerequisites for a comprehensive settlement of the Karabakh issue "already this year."

Aliyev praised Washington's efforts to settle the conflict between Azerbaijan and Armenia and welcomed "some of its new initiatives" outlined in U.S. president Bill Clinton's personal message delivered to him last week.

Aliyev presented the U.S. ambassador with a reply to Clinton which "contains some of my thoughts that, I believe, will be important to the negotiating process."

For his part, Kanzlarich agreed with Aliyev's opinion that the Karabakh talks have entered a new stage and recalled a recent trip to the region by Deputy Secretary of State Strobe Talbott and deputy national security adviser to the president Sandy Berger who, upon their return to Washington, had begun looking for new political solutions for Karabakh.

IF Note: Informed sources in Baku told Interfax that Moscow and Washington have stepped up their diplomatic activity in Karabakh in a bid to reach specific results at security summit meeting in Moscow in April. In particular, the United States and Russia want to make a "breakthrough" on Karabakh by the second anniversary of ceasefire to be marked on May 12.

The proposals made by Russia and the United States "coincide" on key issues, the sources said. Both countries want to maintain Azerbaijan's territorial integrity, provide greater autonomy for Karabakh and ensure the operation of the so-called "Lachin corridor" as a transit route from Armenia to Karabakh.

At the same time, unlike Russia, the U.S. side's increased activity in the Karabakh talks is connected with its willingness to start implementing oil projects in the Caspian Sea "against a more favorable regional background," the sources said

The United States has urged Azerbaijan and Armenia to sign a peace agreement as soon as possible and postpone the resolution of the issue of the Azerbaijani towns of Shusha and Lachin.

Moscow said it will guarantee the resolution of this issue at the initial stage in exchange for Baku's pledge to join the agreement on the protection of the CIS external borders.

In any event, the mediators will urge Baku and Yerevan to make mutual concessions at the next round of talks starting in Moscow on March 25.

Azerbaijan: British Oil Company To Join Caspian Development Consortium

NC2203140996 Baku TURAN in English 0141 GMT 22 Feb 96

[FBIS Transcribed Text] Baku 22/03/96 TURAN — British Ramco oil company has announced about its intention to participate in development of perspective oil-gas-bearing structure "Shakh-Deniz" in Azeri section of the Caspian Sea.

March 20 the British Ambassador, Thomas Young, handed the message of the British Government to President Aliyev, in which he makes request to include "Ramco" in the future consortium for "Shakh-Deniz" structure.

As reliable source from SOCAR [State Oil Company of the Azerbaijani Republic] told Turan in the near future Ambassador Thomas Young plans to meet with the representatives of "Ramco" and administration of SOCAR. During the meeting they are expected to sign the documents on cooperation in development of Shakh-Deniz deposit. Ramco pretends to 5-10 percent share in Shakh-Deniz project. Currently "Ramco" is the member of the contract of century for development of three offshore oil-fields Azeri, Chirag, and Gunashli with the share at 2.08 percent.

The source from SOCAR told Turan that the issue on granting of 10 percent share in development of Shakh-Deniz deposit to French Elf Aquitaine company has also been settled. Moreover, participation of another French company Total in the project, which intends to be in the project together with Iran's State Oil company, is under consideration.

SOCAR's sources report signing of the contract for development of Shakh-Deniz is to take place in the coming month.

At first it has been planned that British-Norwegian alliance BP/STATOIL (25 percent and 20 percent, relatively) and Turkish TPAO 15 percent will participate in development of Shakh-Deniz. The Government Azerbaijan has reserved the right of SOCAR to 40 percent share in the project.

In mid-February 1996 the protocol on LUKoil's entering in the project was signed in Baku. The share of this company will be finally fixed during the visit of President of LUKoil, Vahid Alekperov, to Baku late this week.

* The investments in development of oil-gas condensate deposit Shakh-Deniz are estimated at $4 billion. The recovered resources are estimated at 400 billion cubic metres of gas, 200 million tons of gas condensate and 100 million tons of oil. The deposit is located in the southern part of Azeri section of the Caspian Sea.

Azerbaijan: Supreme Court Convicts Former Policemen of Coup Attempt

LD2503164196 Moscow INTERFAX in English 1312 GMT 25 Mar 96

[FBIS Transcribed Text] BAKU, Mar 25 (Interfax) — The Azerbaijani Supreme Court's Military Board has announced 26 former staffers of the Azerbaijani OPON police unit guilty of a coup attempt in March 1995. The trial ended in Baku Sunday night.

Court chairman Lt. Col. Elmar Abdullayev told Interfax two of them were sentenced to 12 years of imprisonment, five to 11 years of imprisonment and from ten to 19 years of imprisonment in a corrective labor institution with a strict regime. Their property will be confiscated.

Last Sunday the Azerbaijani Supreme Court passed a death sentence by firing squad on ex-Minister of Agriculture Mizamila Abdullayev. He was found guilty of participation in the coup preparations and financing of armed units of ex-Prime Minister Suret Guseinov in October 1994.

In February the court sentenced ex-Minister of Security Nariman Imranov, ex-Deputy Minister of Defense Alikram Gummatov and Deputy Chairman of the Azerbaijani Popular Front Arif Pashayev for involvement in the October 1994 coup attempt. Imranov and Gummatov were sentenced to death (shooting execution), and Pashayev was sentenced to six years of imprisonment.

In the same month, several staffers of the Azerbaijani Security Ministry and 25 members of the Guseinov military unit were sentenced for their involvement in the coup attempt.

Ex-Azerbaijani Defense Minister R. Gaziyev, wanted by police, was sentenced to capital punishment in his absence. According to the Azerbaijani authorities, he is staying in Moscow.

Latvia

Latvia: President Departs for EU, NATO Headquarters

LD2503180696 Riga Radio Riga Network in Latvian 1600 GMTA 25 Mar 96

[FBIS Translated Text] In order to meet EU and NATO officials, President Guntis Ulmanis and a delegation today left on a working visit to Brussels. The main purpose of the trip is to convince the EU leaders that Latvia is ready to start talks on entry into the organization. We (?look to) Europe as an associate member of the EU, an associate partner of the Western European Union, and as a country that sooner or later will be a NATO member, the Latvian president said at a news conference at the airport.

Latvia: Ulmanis Confirms Latvia's Intention To Join NATO

LD2503194496 Moscow INTERFAX in English 1809 GMT 25 Mar 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Riga is proud of its membership in European organizations, Latvian President Guntis Ulmanis told a press conference Monday before his departure to Brussels. He expressed confidence that Latvia will join NATO.

"We are going to Europe as representatives of an associated member of the European Union and of a country which does not doubt that sooner or later it will become a NATO member," he said. "Only membership in these international organizations can ensure Latvia's security and stability in Europe," said Ulmanis.

He said the fact that his visit is beginning on March 25, when Latvia is marking the Day of Memory for the Victims of Communist Terror, has a great symbolic meaning.

"Recalling the policy of terror in relation to the Latvian people in 1949, we keep thinking about how our country's sovereignty and independence might be ensured. The same thing must never repeat itself," he said.

To understand better what is preventing Riga from becoming a full-fledged member of the European Union and NATO, one should pay serious attention to the opinion of the conservative wing of these organizations, he said.

"The advancement towards the European Union and NATO is not a one-way track," said Ulmanis.

"These organizations are not discussion clubs, but serious international agencies. So, apart from aspiring for admission, we should realize that membership in these routinizations is laying enormous responsibility on us for which we must pay," said Ulmanis.

The Latvian delegation comprises Foreign Minister Valdis Birkavs, Defense Minister Andrejs Krastins, Latvia's special envoy to the European Union Aleksandrs Kirsteins, Chairman of the parliamentary Commission for European Affairs Anatolijs Gorbunovs and Chairman of the Party of People's Accord Janis Jurkans.

Latvia: Parliamentarians Disapprove of Union of Russia, Belarus

LD2503181696 Riga Radio Riga Network in Latvian 1600 GMT 25 Mar 96

[FBIS Translated Text] Members of the factions in the Saeima take a negative view of Russia's and Belarus' intention to create a new union. This is the view expressed to correspondents today by the representatives of the Democratic Party Saimnieks, Latvian Way, and For the Fatherland and Freedom factions. The deputies believe that this plan is evidence of a tendency to restore the Soviet empire, and it once again demonstrates the need for Latvia to join the European structures as speedily as possible.

Lithuania

Lithuania: President Says Joining NATO No Threat to Russia

LD2403095296 Moscow ITAR-TASS in English 0911 GMT 24 Mar 96

[By Andrey Golubev]

[FBIS Transcribed Text] CARACAS, Mar 24 (Itar-Tass) — "Lithuania's desire to join NATO and efforts taken by the country in this direction should not be regarded, in any way, a challenge to Russia or an expression of our non-existent intention to worsen bilateral relations with the Russian Federation," Lithuanian President Algirdas Brazauscas who ends his first visit to Venezuela, told a news conference here on Saturday.

Asked by Itar-Tass from what side Lithuania feels a danger, seeking to become a NATO member as soon as possible, Brazauscas stressed that Lithuania is a fully independent state and, as other independent states, enjoys full liberty to take decisions on the country's foreign policy issues.

"A desire to join NATO is part of our today's foreign policy," said the Lithuanian leader, expressing regret that the insufficient level of understanding between the NATO leadership and Russian authorities was the reason for "serious political and state responses to this process from Moscow".

In the opinion of Brazauscas, the main problem now is that the present NATO leadership has not explained, in detail, to the world a new role of the international organisation which works in the conditions of universal consolidation of democratic institutes and more frequent (than earlier) manifestations of supremacy of goodwill when tackling various issues. [sentence as received]

The Lithuanian leader completes his Venezuelan visit on Sunday, during which (according to the president) the two countries have laid down a firm foundation for fruitful and mutually advantageous political, economic and cultural cooperation for many years to come.

Lithuania: Foreign Minister on NATO Expansion

WS2103125196 Tallinn BNS in English 1100 GMT 21 Mar 96

[FBIS Transcribed Text] Prague, Mar 21, BNS — Lithuanian foreign minister Povilas Gylys stressed that the security of the Baltic states is one of today's most sensitive issues.

For this reason, the expansion of NATO should take place systematically and evenly, assuring the indivisibility of the security of all European countries, said the minister Wednesday at a meeting of the twelve Central and Eastern European foreign ministers with Warren Christopher, U.S. secretary of state.

"Seeking to assure the indivisible security among young democracies, it is important, first of all, to name the future NATO members, beginning with the Baltic and other Central European states joining in the NATO process, at one time," the minister noted. The Lithuanian foreign ministry's information center reported that Wednesday Gylys is meeting with the Slovenian foreign minister to discuss bilateral elimination of visa requirements and the perspectives for signing a free-trade agreement.

Lithuania: Vilnius Concerned Over Russian Baltic Sea Exercises

LD2103191096 Vilnius Radio Vilnius Network in Lithuanian 1700 GMT 21 Mar 96

[FBIS Translated Text] Talking today to Nikolay Obertyshev, the Russian Ambassador to Lithuania, Albinas Januska, secretary of the Lithuanian Foreign Ministry, voiced his concern about the Russian military exercises which are currently underway from 19 March to 23 March in the Kaliningrad region.

During the exercises firing is taking place from military ships in the area of the Baltic Sea which is currently the subject of a dispute between Lithuania and Russia in the negotiations on the maritime border delimitation.

According to the Ministry of Foreign Affairs press and information department, the attention of the Russian diplomat was drawn to the fact that Lithuania had not been informed about the above military exercises in advance, therefore, such Russia's actions were not conducive to mutual trust between the two nations and the states.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 3[redacted]
MERRIFIELD, V[redacted]

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.